



Jones Bootmaker Limited (in Administration)

Administrators' Statement of Proposals

Pursuant to paragraph 49 of schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016

Date of delivery of proposals to creditors 5 March 2018



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Abbreviations

The following abbreviations are used in this report:

the Company or Jones	Jones Bootmaker Limited (in Administration)
Endless or the Secured Creditor	Endless LLP
Alteri	Alteri Partners LLP
Beghins	Beghins Shoes Limited
the Group	Jones Bootmaker Limited and Beghins Shoes Limited
Brantano	Brantano Footwear
EY	Ernst & Young LLP
Pavers	Pavers Limited
Naturegold	Naturegold Limited
NDA	Non-Disclosure Agreement
the Proposals	The Joint Administrators' Statement of Proposals
AG	Addleshaw Goddard LLP
EPOS	Electronic point of sale
ERP	Enterprise resource planning
TSA	Transitional Services Agreement

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1. Introduction, background and circumstances giving rise to the appointment

Introduction

On 26 February 2018 the Company entered Administration and S J Woodward and C P Dempster were appointed to act as Joint Administrators. This document, including its appendices, constitutes the Joint Administrators' Statement of Proposals to creditors pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 3.35 of the Insolvency (England and Wales) Rules 2016.

Certain statutory information relating to the Company and the appointment of the Joint Administrators is provided at Appendix A.

Background

The Group in its current form comprises Jones Bootmaker Limited ('Jones' or 'the Company') and its 100% owned subsidiary Beghins Shoes Limited ('Beghins') (together, 'the Group').

The Group is owned by Endless LLP ('Endless' or 'the Secured Creditor') and began trading in March 2017 following the acquisition by Endless of the Jones business out of Administration. The Jones business was previously owned by Alteri Partners LLP ('Alteri') alongside Brantano Footwear ('Brantano').

As part of the acquisition, and to fund ongoing working capital, Endless invested £20m into the Group via a secured Revolving Credit Facility.

A turnaround strategy was implemented which involved stripping the business back to its core, with initiatives such as store rationalisation and product rationalisation being undertaken. This resulted in 25 of the 72 stores initially purchased being closed down. Consequently, at the date of appointment of the Joint Administrators, Jones traded from 47 stores, as well as via its online platform.

The Group employed 504 employees, comprising 52 head office staff and 452 retail staff. In addition, eight consultants were engaged on a regular basis.

The financial results of the Group since its incorporation can be summarised as follows:

Currency: £000	FY18 YTD¹
Revenue	29,979
Cost of sales	(15,086)
Gross Margin	14,893
Store operating costs	(12,790)
Central overheads	(6,151)
Financing costs	(40)
Exceptional items	(3,124)
EBITDA	(7,213)
Depreciation	(7)
Interest	(1,222)
Profit before taxation	(8,441)
Taxation	(1)
Profit / (Loss)	(8,442)

¹ FY18 YTD represents the 10 month period to 31 Jan 18

Circumstances Giving Rise to the Appointment of the Administrators

Following Endless' acquisition of the business, a new management team embarked on an initial period of business stabilisation and decoupling from Brantano. This was followed by a marketing and customer-led turnaround process, which focused on driving the Jones brand.

This resulted in the business reducing in size to a portfolio of 47 stores, and initiatives such as product range rationalisation being implemented. Management also invested in the operating infrastructure, such as electronic point of sale ('EPOS') and enterprise resource planning ('ERP') systems to arrest declining sales.

Despite this restructuring, Jones continued to post negative pre-exceptional EBITDA.

In January 2018, Management produced a budget for 2018/2019 which identified a further, material funding requirement of at least £7m. After considering this funding requirement and the medium term outlook, it was decided to engage Ernst & Young LLP ('EY') to seek purchasers for the Group.

A detailed but accelerated marketing process was undertaken, with EY inviting offers for the business (either in part or whole) on both a solvent and insolvent basis.

Initial discussions with potential buyers commenced on 29 and 30 January 2018, with a total of 15 parties contacted.

A total of 11 non-disclosure agreements ('NDAs') were signed by nine trade parties and two specialist financial investors. An information pack was distributed to these parties from 1 February 2018 onwards.

No solvent offers for the business were received, primarily due to the level of additional funding required by the Group in the short to medium term.

Three offers were received to acquire the Company's business and assets, and two offers were received to assist a future Administrator to trade out the Company's stock in an insolvency process.

These initial offers were assessed using a number of criteria, including value, timing and deliverability. Following this assessment the three trade parties were selected as preferred bidders.

Due to the structure of the offers from two of the three trade parties, a comparison was made between a deal that combined these two offers versus the third offer from Pavers.

It was concluded that the offer from Pavers should be progressed as it represented the offer most capable of being successfully delivered in the time available.

Trading the Company in Administration was also considered when assessing offers received, however, this was ruled out due to:

- ▶ The significant additional funding required to trade in Administration (which was not available);
- ▶ Trading in Administration would be subject to a number of significant risks (e.g. erosion of brand, loss of employees and incurring further losses), which could impact on value realised for the benefit of creditors; and
- ▶ Given a detailed marketing process had already been undertaken, it was not anticipated that continuing to trade the business in Administration would generate significantly enhanced returns.

Therefore, on 22 February 2018, the Directors of the Company concluded that it was in the best interests of all creditors of Jones to progress the sale to Pavers to completion via a pre-pack Administration transaction.

As such, on 23 February 2018, the Directors of the Companies filed a Notice of Intention to appoint Administrators, and the Joint Administrators were subsequently appointed on 26 February 2018.

Unpaid pre-Administration costs totalling £154,846 have been incurred. The Joint Administrators are seeking approval for payment of these amounts as an expense of the Administration. Please refer to section 6 and Appendix E for further details.

2. Purpose, conduct and end of administration

Purpose of the administration

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)
- c. To realise property in order to make a distribution to one or more secured or preferential creditors

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

It was not possible to pursue objective (a) without a solvent offer for the business or alternative funding being made available. Neither were forthcoming.

Consequently, objective (b) was pursued and has been delivered via the pre-pack transaction to Pavers.

Conduct of the Administration

Pre-packaged sale of the business assets

A detailed explanation of the transaction is attached as Appendix B, however, the key terms, assets sold, consideration received, and principal benefits of the transaction can be summarised as follows:

Key terms, assets sold and consideration

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

- ▶ Assets relating to 42 of the Company's 47 store portfolio;
- ▶ Stock located at the Company's remaining 5 stores (these 5 stores closed upon appointment);
- ▶ 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;
- ▶ Cash floats in the transferring stores;

The shares in Beghins were sold to Naturegold Limited ('Naturegold'), another company owned by Stuart and Jason Pavers.

A licence to occupy the 42 transferring stores (all leasehold) was granted to Pavers in order to provide it with the opportunity to trade from these stores whilst seeking to agree more permanent terms of ongoing occupation with the relevant landlords.

In addition, it was agreed that for a maximum of 60 days the Company will provide a range of transitional services to Pavers. The cost of providing the transitional services are to be met in full by Pavers.

Total consideration achieved was c.£4.2m, approximately £1.0m of which represents deferred consideration.

Principal benefits

The principal benefits of the transaction can be summarised as follows:

- ▶ The transaction resulted in 389 jobs transferring to Pavers, thereby mitigating the level of preferential claims against the Company;
- ▶ The transaction ensured the continued operation of the majority of the Company's store network;
- ▶ The transaction generated enhanced returns to creditors compared to alternative available options; and
- ▶ The structure of the transaction affords Pavers and relevant landlords the opportunity to enter into longer term agreements for continued occupation of the transferred stores. If achieved, this will act to mitigate the level of landlord unsecured claims, and also enhance the recoverability of certain rent deposits currently held by the Company's landlords.

Significant assets not included in the sale agreement

We have recovered rent prepayments totalling £340k as part of the fees charged under the licence to occupy agreement entered into with Pavers.

We understand that the Company has provided rent deposits in respect of 12 stores across the estate, totalling £442k. We will work with Pavers and relevant landlords to maximise recoveries from these deposits, however, in practice the recoverability of the deposits will likely be linked to the success of Pavers in securing acceptable terms of ongoing occupation with the landlords.

Cash held in the Company's pre appointment bank accounts at the date of appointment totalled c.£1.6m. Furthermore, cash in transit at the date of appointment totalled c.£0.3m. We are liaising with the Company's bank and merchant services providers in order to secure these funds and have them transferred into our Administration accounts at the earliest opportunity.

We are aware that one of the Company's merchant services providers also holds a security deposit of c.£200k. We will liaise with this party to secure the release of these monies in due course.

Certain equipment and fixtures & fittings were removed from the five stores that closed as part of the pre-pack transaction. These will be disposed of in due course alongside any assets which have realisable value located at the Company's head office.

We are not aware of any further assets which are likely to realise significant value.

Administrators' receipts and payments

A summary of the Administrators' receipts and payments for the period from 26 February 2018 to 1 March 2018 is attached at Appendix C.

Approval of the Administrators' proposals

The Joint Administrators 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. Consequently, in accordance with the provisions of paragraph 52(1)(b) of Schedule B1 to the Act, they do not intend to seek a decision of the creditors on the approval of the Proposals.

The Joint Administrators will be obliged to seek a decision of the creditors, if requested to do so, by creditors of the Company whose debts amount to at least 10% of the total debts of the Company. The request must be delivered within 8 business days of the date on which these Proposals are delivered to creditors (or such longer period as the court may allow) and must include the information required by Rule 15.18 of the Insolvency (England and Wales) Rules 2016.

In accordance with Rule 15.19 of the Rules, the Joint Administrators may require a deposit as security for payment of the expenses associated with convening a decision procedure or deemed consent procedure and will not be obliged to initiate the procedure until they have received the required sum.

Future conduct of the Administration

The Joint Administrators will 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 tasks will include, but may not be limited to, the following:

- ▶ Investigating the extent of any other assets held by the Company and taking steps to realise them;
- ▶ Discharging the Company's contractual obligations under the Transitional Services Agreement ('TSA') with Pavers;
- ▶ Managing rents and service charge payments under the licence to occupy agreed with Pavers;
- ▶ Liaising with the Company's bank and merchant services providers to secure the release of cash held in pre appointment bank accounts and cash in transit;
- ▶ Dealing with retention of title claims;
- ▶ Calculating the Corporation Tax and VAT positions of the Company as at the date of appointment, and for subsequent periods during the Administration;
- ▶ Dealing with statutory reporting and compliance obligations;
- ▶ Distributing amounts due to secured and preferential creditors;
- ▶ Dealing with unsecured creditor enquiries;
- ▶ Distributing amounts due to the unsecured creditors via the prescribed part;
- ▶ If the Joint Administrators deem it appropriate, to seek an extension and/or further extensions to the Administrations from the Company's creditors and/or the Court;
- ▶ Finalising the Administration, including the payment of all Administration liabilities;
- ▶ Any other actions required to be undertaken by the Joint Administrators in order to fulfil the purpose of the Administration.

The end of the Administration

It is proposed that if at the end of the Administration the Company has no property which might permit a distribution to its creditors, the Joint Administrators will send a notice to that effect to the registrar of companies. On registration of the notice, the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 the Company will be deemed to be dissolved three months after the registration of the notice.

3. Statement of Affairs

The directors have not yet submitted a Statement of Affairs. A notice requiring the submission of a Statement of Affairs was issued to all current directors of the Company on 27 February 2018, with a requirement to submit the Statement of Affairs by 9 March 2018. In the absence of a Statement of Affairs, we attach at Appendix D an estimate of the Company's financial position as at 26 February 2018 together with a list of creditors including, as far as is currently known, their names, addresses, amounts owed and details of any security held.

We provide below, for information only, an indication of the current position with regard to creditors' claims. The figures have been based on information provided by Management and have not been subject to independent review or statutory audit.

Secured creditors

Endless LLP

Endless were the Company's only secured creditor and were owed £20m (stated before associated interest and/or other charges) at the date of appointment. These amounts relate to the Revolving Credit Facility provided to the Company at the time of acquisition.

These amounts are secured by a composite guarantee and debenture incorporating fixed and floating charges provided by Endless.

It is anticipated that Endless will suffer a shortfall against its pre appointment debt.

Preferential creditors

We currently estimate preferential creditor claims of £320k, in respect of claims for employees' salaries, holiday pay and pension contributions.

We estimate that preferential claims will be paid in full.

Non-preferential creditors

It is estimated that total non-preferential claims will be in the region of £4.8m.

The level of dividend which will eventually be available to non-preferential creditors is uncertain, but given the shortfall expected to be suffered by Endless, we anticipate distributions to non-preferential creditors will be limited to funds set aside pursuant to the prescribed part (see section 4).

4. Prescribed part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

Endless' floating charge was created after 15 September 2003. Consequently, section 176A of the Insolvency Act 1986 does apply to this Administration and there is therefore a prescribed part to be set aside for unsecured creditors.

The Joint Administrators estimate, to the best of their knowledge and belief, that:

- ▶ The value of the Company's net property will be c.£3.0m.
- ▶ 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).

The Joint Administrators do not intend to make an application to the court under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the prescribed part.

5. Administrators' Remuneration and Disbursements and payments to other professionals

Remuneration

The statutory provisions relating to remuneration are set out in Chapter 4, 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 the Joint Administrators.

In the event that a creditors' decision is not requested and a creditors' committee is not formed, the Joint Administrators will seek to have their remuneration fixed by the Company's secured creditor and if the Joint Administrators have made or intend to make a distribution to preferential creditors, the preferential creditors, in accordance with Rule 18.18(4) 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 5 March 2018 which is being circulated to creditors at the same time as these Proposals (in Appendix A of my letter to creditors dated 5 March 2018).

Disbursements

Disbursements are expenses met by and reimbursed to the Joint Administrators. They fall into two categories: Category 1 and Category 2. The statement of expenses, which is included within the fee estimate dated 5 March 2018 referred to above, 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 Administration on a proper and reasonable basis. Category 2 disbursements require approval in the same manner as remuneration. In the event that a creditors' decision is not requested and a creditors' committee is not formed, the Joint Administrators will seek the approval of the secured creditor and preferential creditors to charge Category 2 disbursements in accordance with the Statement of Expenses included in Appendix A of my letter to creditors dated 5 March 2018.

6. Pre-Administration costs

The Administrators are seeking approval for payment of unpaid pre-Administration costs totalling £154,846 plus VAT. The payment of unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52, and not part of the Proposals subject to approval under paragraph 53. This means that they must be approved separately from the Proposals.

A breakdown of the total pre-Administration costs incurred and amounts paid pre-Administration is attached at Appendix E. The nature of the pre-appointment work conducted can be summarised as follows:

- ▶ Negotiating and delivering the pre-pack transaction to Pavers (as detailed at Appendix B).
- ▶ Planning for the period immediately post-appointment in order to deal with all matters effectively.

In addition to the above, the following third-party pre-Administration costs and expenses have been incurred prior to appointment:

- ▶ Addleshaw Goddard LLP ('AG') provided legal advice to the Joint Administrators in respect of the pre-pack transaction. AG's pre-Administration costs are £91,317 plus VAT.

The breakdown attached at Appendix E sets out:

- ▶ The pre-appointment fees charged by the Administrators;
- ▶ The pre-appointment expenses incurred by the Administrators;
- ▶ The fees charged (to the Administrators' knowledge) by any other person qualified to act as an insolvency practitioner (and if more than one, by each separately); and
- ▶ The expenses incurred (to the Administrators' knowledge) by any other person qualified to act as an insolvency practitioner (and if more than one, by each separately).

In the event that a creditors' meeting is not requisitioned and a creditors' committee is not formed, the Joint Administrators will seek to have the unpaid pre-Administration costs approved by the secured creditor, and if the Joint Administrators made or intend to make a distribution to preferential creditors, the preferential creditors.

Appendix A Statutory information

Company Information

Company Name:	Jones Bootmaker Limited
Registered Office Address:	c/o Ernst & Young LLP, 2 St. Peter's Square, Manchester, M2 3EY
Registered Number:	09953318
Trading Name(s):	Jones Bootmaker
Trading Address(es):	Outersole House, 1 Wheatfield Way, Hinckley, Leicestershire, England, LE10 1YG

Details of the Administrators and of their appointment

Administrators	S J Woodward and C P Dempster
Date of Appointment:	26 February 2018
By Whom Appointed:	The appointment was made by the Company's Directors pursuant to Paragraph 22(2) of Schedule B1 to the Insolvency Act 1986.
Court Reference	2173 of 2018

Any of the functions to be performed or powers exercisable by the Administrators may be carried out/exercised by any one of them acting alone or by any or all of them acting jointly.

Statement concerning the EC Regulation

The EC Council Regulation on Insolvency Proceedings does apply to this administration and the proceedings are main proceedings. This means that this Administration is conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union Member State.

Share capital

Class	Authorised		Issued but not paid	
	Number	£	Number	£
Ordinary Shares	1	1	1	1

Directors and secretary and their shareholdings

Name	Director or Secretary	Date appointed	Date resigned	Current shareholding
Koray Gül	Director	9 October 2017	N/A	N/A
Kris Nellist	Director	9 October 2017	N/A	N/A
Andrew Smith	Director	22 March 2017	9 October 2017	N/A
Darren Forshaw	Director	15 January 2016	22 March 2017	N/A
Garry Wilson	Director	15 January 2016	9 October 2017	N/A

Appendix B Detailed Explanation of Pre-Pack Transaction

Pre-packaged sale of the business and assets of the Company

On 26 February 2018, following the Administrators' appointment, a sale of certain of the business and assets of the Company was completed to Pavers Limited for a total consideration of c.£4.2m.

In accordance with Statement of Insolvency Practice 16, a detailed explanation of the transaction is set out below.

Background

The Group in its current form comprises Jones and its 100% owned subsidiary, Beghins.

The Group is owned by Endless and began trading in March 2017 following the acquisition by Endless of the Jones business out of Administration. The Jones business was previously owned by Alteri alongside Brantano.

As part of the acquisition, and to fund ongoing working capital, Endless invested £20m into the Group via a secured Revolving Credit Facility.

A turnaround strategy was implemented which involved stripping the business back to its core, with initiatives such as store rationalisation and product rationalisation being undertaken. This resulted in 25 of the 72 stores initially purchased being closed down. Consequently, at the date of appointment of Administrators, Jones traded from 47 stores, as well as via its online platform.

Despite this restructuring, Jones continued to post negative pre-exceptional EBITDA.

Initial introduction

EY was initially introduced by Endless in December 2017.

In January 2018, Management produced a budget for 2018/2019 which identified a further, material funding requirement of at least £7m. After considering this funding requirement and the medium term outlook, it was decided to engage EY to seek purchasers for the Group.

Recent developments, marketing and other courses of action considered

A detailed but accelerated marketing process was undertaken, with EY inviting offers for the business (either in part or whole) on both a solvent or insolvent basis.

Initial discussions with potential buyers commenced on 29 and 30 January 2018, with a total of 15 parties contacted.

A total of 11 NDAs were signed, with nine trade parties and two specialist financial investors. An information pack was distributed to these parties from 1 February 2018 onwards.

No solvent offers for the business were received, primarily due to the level of additional funding required by the Group in the short to medium term.

However, three offers were received to acquire the Company's business and assets, and two offers were received to assist a future Administrator to trade out the Company's stock in an insolvency process.

These offers were assessed using a number of criteria, including value, timing and deliverability. Following this assessment, the three trade parties were selected as preferred bidders.

Due to the structure of the offers from two of the trade parties, a comparison was made between a deal that combined these two offers versus the third offer from Pavers.

It was concluded that the offer from Pavers should be progressed as it represented the offer most capable of successfully being delivered in the time available.

Alternative options considered

Alternative options were considered when assessing offers received, in particular (i) a period of trading the Company in Administration, and (ii) placing the Company straight into Liquidation. However, both strategies were ruled out for the reasons set out below.

Trading in Administration

- ▶ Significant additional funding was required to trade in Administration, which was not available. It should be noted in this regard that Endless were approached to provide additional funding, but confirmed that they would not be willing to do so.
- ▶ Seeking funding from alternative providers was not considered achievable given (i) Endless were well informed about the position and prospects for the business and declined to inject further funding, and (ii) alternative parties would have required a period of due diligence, which was not available given the financial position of the business. In addition, running a fund raising process alongside the accelerated sale process would likely have impacted the level of management time able to be spent on the sale process without any guarantee of successfully raising funds, thereby potentially impacting the ability to deliver a successful transaction in the available time;
- ▶ Trading in Administration would also be subject to a number of significant risks (e.g. incurring further losses, erosion of brand value, loss of employees), which could impact on value realised for the benefit of creditors; and
- ▶ Given a detailed marketing process had already been undertaken, it was not anticipated that continuing to trade the business in Administration would generate significantly enhanced returns in any event.

Liquidation

- ▶ Based on advice received from our appointed agents, SIA Group, estimated returns from the Company's stock holding were significantly reduced in a Liquidation scenario (9p in the £1). This would have resulted in significantly reduced returns for creditors compared to the offers received from the accelerated sale process. See below for further details.
- ▶ In addition, it is likely there would have been significant erosion in the value of goodwill and the Company's brand if the business was placed into Liquidation. By contrast, the Pavers transaction has realised £700,000 of goodwill.
- ▶ The lack of a moratorium in Liquidation would have also increased the risk of creditor action being taken. This would have further increased the risk of dilution in the returns available to creditors.

Registered Charges

The Company has the following registered charges:

Date of creation of charge	Date of registration of charge	Details of charge	Name of charge holder
25 March 2017	28 March 2017	Composite guarantee and debenture containing fixed and floating charges	Endless LLP

Statutory purpose of administration

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).
- c) To realise property in order to make a distribution to one or more secured or preferential creditors.

Insolvency legislation provides that objective (a) should be pursued unless it is not reasonably practicable to do so or if objective (b) would achieve a better result for the company's creditors as a whole. Objective (c) may only be pursued if it is not reasonably practicable to achieve either objective (a) or (b) and can be pursued without unnecessarily harming the interests of the creditors of the company as a whole.

It was not possible to pursue objective (a) without a solvent offer for the business or alternative funding being made available. Neither were forthcoming.

Consequently, objective (b) was pursued and has been delivered via the pre-pack transaction to Pavers.

Comparison of offers received

Asset	Pavers (£m)	Party B (£m)	Party C (£m)	Party B & C (£m)	Party D (£m)	Party E (£m)
Brand & IP	0.7	Nil	2.0	2.0	Nil	Nil
Stock	2.6	1.8	1.8	2.2	1.6	1.6
Newly arrived / stock in transit	0.4	Nil	Nil	Nil	Nil	Nil
Shareholding in Beghins	0.1	Nil	Nil	Nil	Nil	Nil
Assignment of leases	0.3	Nil	Nil	Nil	Nil	Nil
Net total	4.2	1.8	3.8	4.2	1.6	1.6
Completion consideration	3.2	Not specified	Not specified	Not specified	Not specified	Not specified
Deferred elements	1.0	Not specified	Not specified	Not specified	Not specified	Not specified
Stores to be taken on under licence to occupy	42	14	Nil	14	Nil	Nil

Notes to table:**Stock**

Offers were all based on p/£ of the net book value of stock. Offer comparison assumes an opening stock balance of £6.0m, which was consistent with the opening stock position at the date of appointment.

Party A (Pavers) offer:

- ▶ Total offer of £4.165m. From this, the following amounts would be retained by Pavers to cover potential future claims;
 - ▶ £0.6m in respect of employees (9 month retention)
 - ▶ £0.3m in respect of Beghins tax
 - ▶ £0.1m in respect of deposits (35 day retention)
- ▶ £10k per store will be paid in the form of deferred consideration for all stores assigned or otherwise transferred to Pavers in excess of 25 stores.

Combined Party B & C offer:

- ▶ There was no formal joint bid from parties B and C, however, the level of overlap between their original bids was small, and we therefore explored with both the possibility of a combined solution.

Party D offer:

- ▶ Guaranteed net return following trade out of stock from store network.

Party E offer:

- ▶ Guaranteed net return following trade out of stock from store network.

After assessment of the offers, it was concluded that the transaction with Pavers was the most deliverable, the most certain, and would represent the best outcome for creditors as a whole.

Endless, as secured creditor, was consulted throughout the above process.

Valuation of the business and assets

SIA Group were instructed to value the assets of the Company to supplement the valuations communicated via the accelerated sale process. SIA Group confirmed its independence and that it carries adequate professional indemnity insurance.

SIA were instructed to value the assets of the Company in three scenarios:

- ▶ Scenario 1 – In-Situ Trade Sale (a sale of the stock to a single purchaser either with or without the business, but intending to operate the stores and sell the inventory through an operating business). This is comparable to the nature of the offer from Pavers. Valuation – 35p/£1. Total £2.1m
- ▶ Scenario 2 – Ex-Situ Workout (stock is sold through an orderly work-out of the stock through existing store locations, utilising web sales and through a targeted closing down sale). This is comparable to the nature of the offers from Parties D and E. Valuation – 26p/£1. Total £1.5m
- ▶ Scenario 3 – Ex-Situ Trade Buyer(s) (stock is sold in a restricted exit period of 14 days and is sold from existing locations to 1 or a small number of trade buyers). Valuation – 9p/£1. Total £0.5m

The transaction

A sale to Pavers completed on 26 February 2018. Details of the transaction are as follows:

The purchaser and related parties

- ▶ We are not aware of any connections between the purchasers, Pavers and Naturegold, and the Directors and the shareholders of Jones.

We are not aware of any guarantees given by the directors for amounts due from the Company to a prior financier, or if a prior financier is financing the new business.

The assets

The assets sold to Pavers and the apportionment of the associated consideration is as follows:

Description of asset	Allocated to fixed charge realisations (£)	Allocated to floating charge realisations (£)	Total purchase consideration (£)
Stock		2,638,436	2,638,436
Goodwill	700,000		700,000
Newly arrived / stock in transit & deposits		437,780	437,780
Property		250,000	250,000
Shareholding in Beghins	102,528		102,528
Cash float		36,679	36,679
Goodwill		1	1
Plant		1	1
Transferred records		1	1
Total	802,528	3,362,897	4,165,425

Sale consideration

Total consideration was £4.165m. From this, the following amounts were retained by the Purchaser to cover potential future claims:

- ▶ £0.6m in respect of employees (9 month retention)
- ▶ £0.3m in respect of Beghins tax
- ▶ £0.1m in respect of deposits (35 day retention).

The consideration was allocated between fixed and floating charge assets based on the purchaser's offer, which was considered fair and reasonable.

Significant assets not included in the sale agreement

We have recovered rent prepayments totalling £340k as part of the fees charged under the licence to occupy agreement entered into with Pavers.

We understand that the Company has provided rent deposits in respect of 12 stores across the estate, totalling £442k. We will work with the purchaser and relevant landlords to maximise recoveries from these deposits, however, in practice the recoverability of the deposits will likely be linked to the success of Pavers in securing acceptable terms of ongoing occupation with the landlords.

Cash held in the Company's pre-appointment bank accounts at the date of appointment totalled c.£1.6m. Furthermore, cash in transit at the date of appointment totalled £0.4m. We are liaising with the Company's bank and merchant services providers in order to secure these funds and have them transferred into our Administration accounts.

We are aware that one of the Company's merchant services providers also holds a security deposit of c.£200k. We will liaise with this party to secure the release of these monies in due course.

Certain equipment and fixtures and fittings were removed from the five stores that closed as part of the pre-pack transaction. These will be disposed of in due course alongside any assets which have realisable value located at the Company's head office.

We are not aware of any further assets which are likely to realise significant value.

Appendix C Administrators' Receipts and Payments account for the period from 26 February 2018 to 1 March 2018

Estimated to realise (£)		Total (£)
Receipts		
Non-trading		
2,638,435.98	Stock	1,788,435.98
700,001.00	Intellectual property & goodwill	700,001.00
Nil	Licence fees	414,038.32
437,779.66	Newly arrived /stock in transit and stock deposits	337,779.66
250,000.00	Property	250,000.00
102,527.68	Shareholding in Beghins	102,527.68
Nil	Transitional services payment	40,000.00
36,679.00	Cash float	36,679.00
1.00	Plant	1.00
1.00	Transfer of records	1.00
Total receipts		3,669,463.64
Payments		
Non-trading payments		
	Employee costs	307,785.75
	Rent	5,214.64
Total payments		313,000.39
Balances in hand		3,356,463.25
<p>Receipts and payments are shown net of VAT All funds are held in interest bearing accounts The receipts and payments account has been prepared on a cash basis and does not take account of future receipts and payments Deferred consideration has been retained against stock and newly arrived stock / stock in transit and stock deposits Estimated to realise figures are as per Appendix D in the estimate of the Company's financial position. The difference between the estimated to realise figures and total receipts to date comprise deferred consideration as described in Appendix B</p>		

Balance in hand - represented by

Fixed bank account	802,528.68
Floating bank account	2,635,699.31
VAT payable account	(81,764.74)
	3,356,463.25

Appendix D Estimate of the Company's financial position

Jones Bootmaker Limited

A – Summary of Assets

Assets	Book Value (£)	Estimated to Realise (£)
Assets subject to fixed charge:		
Shareholding in Beghins	Nil	102,528
Goodwill / Intellectual Property	3,658,049	700,001
Less:		
Amount due to Endless LLP (Revolving Credit Facility)	(20,000,000)	(20,000,000)
Amount due to Endless LLP (Interest and other charges)	(354,460)	(354,460)
Assets subject to floating charge:		
Tangible fixed assets	1,097,060	1
Stock	5,843,356	2,638,436
Advance payments (stock in transit)	572,428	437,780
Transfer of records	Nil	1
Assignment of leases	Nil	250,000
Property prepayments	340,000	340,000
Rent deposits	498,957	Nil
Other debtors & prepayments	643,472	150,000
Other	15,100	Nil
Cash at bank and in hand	1,588,540	1,588,540
Cash float	36,679	36,679
Cash in transit	295,000	215,000
Uncharged assets:		
Estimated total assets available for preferential creditors	<u>10,930,593</u>	<u>5,656,437</u>

A1 – Summary of Liabilities

		Estimated to realise (£)
Estimated total assets available for preferential creditors (carried from page A)	£	5,656,437
Liabilities		
Preferential creditors:-	£ (320,000)	
Estimated deficiency/surplus as regards preferential creditors	£	5,336,437
Estimated prescribed part of net property where applicable (to carry forward)	£ (600,000)	
Estimated total assets available for floating charge holders	£	4,736,437
Debts secured by floating charges	£ (19,551,931)	
Estimated deficiency/surplus of assets after floating charges	£	(14,815,494)
Estimated prescribed part of net property where applicable (brought down)	£ 600,000	
Total assets available to unsecured creditors	£	600,000
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	£ (4,828,377)	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(4,228,377)
Shortfall to floating charge holders (brought down)	£ (14,815,494)	
Estimated deficiency/surplus as regards creditors	£	(19,043,871)
Issued and called up capital	£ 1	
Estimated total deficiency/surplus as regards members	£	(19,043,872)

Name of creditor or claimant	Address (with postcode)	Amount of debt	Details of any security held by creditor	Date security given	Value of Security
Endless LLP	3 Whitehall Quay LS1 4BF Leeds United Kingdom	20,354,460	Fixed and Floating Charges	25 March 17	20,354,460
Carinhoso Globo B.V	Schutweg 13C 5145 NP Waalwijk The Netherlands Netherlands	369,207	None		
Calzaturificio Sartori spA	37035 S.Giovanni Ilarione Italy Italy	108,183	None		
LEINER SHOES PVT LTD.	B-19 HOSIERY COMPLEX PHASE 11 E NOIDA-201305 India	98,548	None		
LOAKE BROTHERS LTD	WOOD STREET NN16 9SN United Kingdom	108,596	None		
COLVANBRIDGE LTD	85 WEST STREET C06 1NT Essex United Kingdom	39,011	None		
Seven Summits Consulting Ltd	Hollytree Cottage The Hollows NG14 7GS NOTTINGHAM United Kingdom	2,849	None		
Adare International Ltd	Wheatfield Way LE10 1YG HINCKLEY United Kingdom	74,568	None		
Yodel Delivery Network Ltd	2nd Floor, Atlantic Pavilion, L3 4AE Liverpool United Kingdom	24	None		
GABOR SHOES AG	EvelineHouse, 1&2 Cannon Park TS1 5JP Middlesbrough United Kingdom	104,036	None		
Vodat International Ltd	Pearmill Industrial Estate SK6 2BP United Kingdom	14,477	None		
Ingenico E-Commerce SolutionsLtd	Eastbourne Terrace 20 W2 6LG London United Kingdom	94	None		
B SMITH PACKAGING (WORC) LTD	STANIER ROAD, WARNDON WR49FE United Kingdom	2,810	None		
Worthing Borough Council	Customer Services BN11 1JN United Kingdom	5,280	None		
KOKOS	72-74 HIGH ROAD N2 9PN United Kingdom	4,118	None		
JTB Realisations Limited (Former	15 Canada Square E14 5GL London United Kingdom	60,503	None		
Marsh ltd	PO Box 3242 NR7 7BH Norwich United Kingdom	1,928	None		
Graffiti Design International Lt	Design House TNB21 8U United Kingdom	4,650	None		

Appendix D: Estimate of the Company's financial position

Woking Borough Council	Civic Offices GU21 6YL Woking United Kingdom	57	None		
LONDON BOROUGH OF BROMLEY	P O BOX 53 BR1 3UN United Kingdom	6,396	None		
Harrogate Borough Council	Po Box 787 HG1 9RW Harrogate United Kingdom	4,844	None		
West Dorset District Council	Glyde Path House, Glyde Path Rd DT1 1JB United Kingdom	55	None		
Hastings Borough Council	P.O. Box 176 TN34 1PY East Sussex United Kingdom	73	None		
BOURNEMOUTH BOROUGH COUNCIL	REVENUE AND BENEFITS SERVICES BH2 6EB United Kingdom	3,975	None		
Drop & Collect Ltd	54 Clarendon Road WD17 1HP United Kingdom	8,179	None		
Veolia Environmental Services	National Accounts Department WA3 6FW Warrington United Kingdom	3,957	None		
R W Dent	115 Tickenhall Drive Essex United Kingdom	155	None		
Calzaturificio San Giorgio s.r.l	56012 fornacette Italy	20,747	None		
DHL Supply Chain	Solstice House MK9 1EQ MILTON KEYNES United Kingdom	247,481	None		
NETTITUDE LTD	1 JEPHSON COURT, TANCRED CLOSE CV31 3RZ United Kingdom	9,184	None		
Itim Limited	2nd Floor, Atlas House SW1E 5NH London United Kingdom	65,322	None		
Complete Facilities Maintenance Ltd	2 Bosworth House High Street C016 0EA Essex United Kingdom	1,584	None		
South Kesteven District Council	Council Offices NG31 6PZ Grantham, Lincs United Kingdom	796	None		
DHL International (UK) Ltd	Southern Hub Unit 1 Horton Road SL3 OBB Berkshire United Kingdom	1,212	None		
BRIGHTON & HOVE CITY COUNCIL	Room 201 BN3 2LS United Kingdom	3,800	None		
Brantano NV	Industrieterrein 11 B9320 Embrodegem BELGIUM	6,406	None		
WINCHESTER CITY COUNCIL	PO BOX 130 SO23 9ZX United Kingdom	8,114	None		
Horsham District Council	PO Box 519 M330EZ Sale United Kingdom	7,748	None		

Appendix D: Estimate of the Company's financial position

Mendip District Council	Cannards Grave Road BA4 5BT Somerset United Kingdom	1,656	None		
ROYAL BOROUGH OF WINDSOR & MAIDE	TOWN HALL SL6 1RF United Kingdom	4,775	None		
Epsom & Ewell Borough Council	Town Hal, The Parade KT18 5BY Surrey United Kingdom	3,060	None		
Cambridge City Council	Cambridge BID Ltd CB5 8EP United Kingdom	4,364	None		
Tryzens Ltd	101 Finsbury Pavement EC2A1RS London United Kingdom	8,650	None		
Bicachio S.L.U.	PO Box 5028 - Alfred Nobel 03203 Alicante Spain	3,799	None		
New Forest District Council	Town Hall, Avenue Road SO41 9ZG Hants United Kingdom	270	None		
Scottish Power	Payment Collection Centre BN11 9LT United Kingdom	676	None		
Wiltshire Council	collection - NDR BA14 4DS Trowbridge United Kingdom	3,676	None		
Dunkleman + Son Ltd	The Manor House, Gold Street NN14 2NQ NORTHAMPTONSHIRE United Kingdom	11,159	None		
Checkpoint Apparel Labelling B.V	Checknet Europe Netherlands	1,286	None		
Kong Fung (Macau Commercial Offs	Em Macau Rua De Pequim Ns 230-24 CHINA	55,117	None		
Westminster City Council	PO Box 397 WA55 1GG United Kingdom	23,505	None		
Cognitronics Ltd	Claylands Ave S81 7DJ United Kingdom	2,520	None		
Automatic Data Processing Ltd	Syward Place Pycroft Road Cherts KT16 9LT Surrey United Kingdom	2,108	None		
Herefordshire Council	Revenues Unit HR1 2XW United Kingdom	278	None		
Trace Puplicity	22 Little Russell Street WC1A 2HL London United Kingdom	11,887	None		
PSB Web Ltd	8 Strachan Close LE12 7JF Loughborough United Kingdom	2,625	None		
KCOM Group PLC-T/A KC	37 Carr Lane HU1 3RE Hull United Kingdom	65	None		
Leicester City Council	York House LE1 6FB Leicester United Kingdom	18,388	None		

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Sopra Steria Recruitment	1010 Winnersh, Winnersh RG41 5TS Reading United Kingdom	9,600	None		
Google Ireland Limited	Gordon House IRELAND Ireland	43,990	None		
E-Village	Amersfoortseweg 10e J Zeist Netherlands	3,060	None		
Exeter City Council	P.O. Box 143, Civic Centre EX1 1JD United Kingdom	7,909	None		
Shropshire Council	Revenues and Benefits SY1 9GH Shrewsbury United Kingdom	4,068	None		
Hinckley & Bosworth Borough Coun	Hinckley Hub LE10 0FR Hinckley United Kingdom	20,884	None		
Liverpool City Council	Business Rates L69 2DX United Kingdom	18,750	None		
Canterbury City Council	35 High Street CT1 2RY Kent United Kingdom	25,788	None		
Royal Mail Group plc	Finance Service Centre BL4 9XX Farnworth, BOLTON United Kingdom	15,943	None		
Water 2 Business Ltd	1 Clevedon Walk Nailsea BS48 1WA Bristol United Kingdom	43	None		
Bing ADS	6100 Neil Road, Ste 100 89511 NV America	2,617	None		
East Riding of Yorkshire Council	County Hall, Beverley HU17 9BA United Kingdom	3,682	None		
Cotswold District Council	Po Box 9, Council Offices GL7 1PY Gloucestershire United Kingdom	2,461	None		
Aroxo Ltd (feedspark)	Mutual House W1S 2GF London United Kingdom	450	None		
St Albans City & District Council	District Council Offices AL13JE St Albans United Kingdom	5,885	None		
Braganca Freitas & Braganca Lda	Agras Margaride Apartado 53 4610251 Felgueiras Portugal	15,333	None		
Joaquim Ferreira Pinto Lda	Rua Alto do Vaz no 338 Barrosas 4650-141 Idaes FLG Portugal	4,160	None		
Stanley Security Solutions Ltd	Stanley House, Bramble Rd SN2 8ER United Kingdom	297	None		
E.ON Energy Electricity Income	PO Box 7687 NG15 0WP United Kingdom	2,076	None		
Business Stream	PO Box 17381 EH12 1GT United Kingdom	115	None		

Appendix D: Estimate of the Company's financial position

Bath & North East Somerset Council	Lewis House, Manvers St BA1 1JG United Kingdom	4,492	None		
Manchester City Council	PO Box 466 M16 6AT United Kingdom	8,830	None		
Haven Power Limited	Drax Power Station Selby YO8 8PH North Yorkshire United Kingdom	35,407	None		
St Edmundsbury Borough Council	Breckland House IP24 1BT THETFORD United Kingdom	2,866	None		
Epson UK Limited	Westside London Road Apsley HP3 9TD Herts United Kingdom	1,000	None		
Glasgow City Council	Financial Services, P.O. Box 36 G1 3DN United Kingdom	5,412	None		
Michael Page Int Recruitment Ltd	8 Bath Road SL1 3SA United Kingdom	6,720	None		
Retail Profit Ltd	Unit B Bassingbourn Gashouse 70 SG8 5LF Herts United Kingdom	2,934	None		
G L DAMECK LTD	Yard Road Blairgowrie PH10 6NW Perthshire United Kingdom	19,919	None		
Davinci Leather Pvt Limited	No.D9/1 M.M Nagar Industrial Est India	24,867	None		
Demandware Inc	5 Wall Street 01803 Burlington America	17,375	None		
Ultimate Invoice Finance c/o Vir	Bowcliffe Court Bowcliffe Hall LS23 6LP United Kingdom	5,477	None		
Advanced Supply Chain	Advanced House Wharfedale Road BD4 6SG Bradford United Kingdom	14,467	None		
Dentsu Aegis Manchester Ltd t/a	Cotton House 4th Floor 12-18 M2 5HS Manchester United Kingdom	85,937	None		
BIRMINGHAM CITY COUNCIL	Shared Services Centre B4 7AD United Kingdom	13,575	None		
City Of Edinburgh Council	PO Box 463 EH7 9DJ Edinburgh United Kingdom	11,369	None		
Ingenico (UK) Ltd	17 Ridge Way Donibristle Ind Pa KY11 9JU FIFE United Kingdom	736	None		
Frames By Post Limited	Unit 15 Tattersall Way CM1 3UB Chelmsford United Kingdom	3,825	None		
West Oxfordshire District Council	Elemfield, New Yatt Road OX28 IPB Witney United Kingdom	7,402	None		
Steve Porter Transport Ltd	Dallimore House Somerton Industr PO31 8PB Cowes United Kingdom	3,186	None		

Z Mags Ltd	Three Tuns House 109 Borough SE1 1NL London United Kingdom	5,400	None		
Makalu	The Old School Blaby Road LE19 4AR Enderby United Kingdom	6,882	None		
Decision Systems Ltd	St Mary's Studios, St Mary's Road WA14 2PL Cheshire United Kingdom	4,987	None		
RM GOLD LTD	36 Elsee Road CV21 3BA Rugby United Kingdom	8,139	None		
IMBOX SHOECARE	ANKER ANDERSONS VEJ 1 ORRING Denmark	4,769	None		
Mention Me Ltd	Canterbury Court Kennington Park SW9 6DE London United Kingdom	594	None		
Catherdal Leasing Ltd	300 Relay Point B77 5PA Staffs United Kingdom	749	None		
MAY & STEPHENS RECRUITMENT	IBEX HOUSE, 42-47 MINORIES EC3N1DY United Kingdom	13,320	None		
METAPACK LTD	4TH FLOOR, 200 GRAYS INN ROAD WC1X8XZ United Kingdom	3,000	None		
Siemens Financial Services Ltd	Sefton Park, Bells hill SL2 4JS United Kingdom	2,482	None		
Warwick District Council	P O Box 5 CV32 5QS United Kingdom	8,149	None		
Evado	8 Manor Park Great Somerford SN15 5EQ Chippenham United Kingdom	1,522	None		
SPERLING RETAIL LTD	6 MANOR ROAD, HAVERHILL CB9 0EP United Kingdom	1,661	None		
Oracle Interiors Limited	5 Centre One, Lysander Way SP4 6BU United Kingdom	1,180	None		
Batchelor Electrical Limited	17 Albany Bus Park, Cabot La BH17 7BX United Kingdom	3,564	None		
Andrew Bayles Design	Freelance Artist United Kingdom	675	None		
Prontaprint Leicester	Bruce Way Cambridge Leicester LE8 6HP United Kingdom	128	None		
Ryman Ltd	Ryman House Savoy Road Crewe CW1 6NA Cheshire United Kingdom	3,023	None		
Columbus Consulting Int'l	Dept 781713 PO Box 78000 Michigan America	14,548	None		
Complete Clean UK Services Ltd	45 Danson Lane DA16 2BD United Kingdom	1,037	None		

Appendix D: Estimate of the Company's financial position

London Bro Of Hammersmith & Fulh	PO Boc 1453 W6 9UU London United Kingdom	36,760	None		
Wandsworth Council	Po Box 65993, Town Hall SW18 9LB United Kingdom	18,578	None		
360 Signs	The Bakery Greenwood Street M6 6PD United Kingdom	16,301	None		
Imagesound Ltd	Venture Way Duston Technology S41 8NE United Kingdom	847	None		
East Anglian Property Ltd	Lakeside, Roman Drive, Brundall, NR13 5LU United Kingdom	582	None		
Statutory Support Service UK Ltd	Unit 2 Olton Bridge 245 Warwick B92 7AH Solihull United Kingdom	16,116	None		
Newton Electrical & Machanical L	Unit 6 Sunnyside Park LE10 1PJ Leicestershire United Kingdom	514	None		
Salesforce.com EMEA Limited	Floor 26 Salesforce Tower 110 EC2N 4AY London United Kingdom	36,541	None		
Hydra (Argolic Services Limited)	5 Basildon Court Cholsey OX10 9GR Oxfordshire United Kingdom	768	None		
Storetech Ltd	F178/9 Riverside Business Centre SW18 4UQ London United Kingdom	2,040	None		
Bupa Insurance	Anchorage Quay M50 3XL Salford United Kingdom	27	None		
Emark BV	Nieuwe Gracht 74 2011 NJ Harlem Haarlem United Kingdom	19,500	None		
HMRC	Debt Management Enforcement & Insolvency Service Durrington Bridge House Worthing BN12 4SE Barrington Road	1,752,145	None		

Appendix E Statement of pre-Administration costs

Statement of pre-administration costs

	Administrator		Other IP		Details
	Remuneration £	Expenses £	Remuneration £	Expenses £	
Time costs	63,529	Nil	Nil	Nil	Incurred by EY in respect of delivering the pre-pack transaction
Legal expenses	91,317	Nil	Nil	Nil	Incurred by AG in respect of advice given to EY and facilitating the pre-pack transaction and Administration appointments.
Total costs incurred	154,846	Nil	Nil	Nil	
Paid before the administration					
Time costs	Nil	Nil	Nil	Nil	
Legal expenses	Nil	Nil	Nil	Nil	
Unpaid pre-administration costs	154,846	Nil	Nil	Nil	

Unpaid pre-administration costs are costs which had not been paid at the date of Administration are still outstanding and are subject to approval under Rule 3.52 of the Insolvency (England and Wales) Rules 2016.

Unpaid pre-administration costs are not part of the Proposals subject to approval under paragraph 53 of Schedule B1 of the Insolvency Act 1986. This means that they must be approved separately from the proposals. Further information on the way in which approval will be sought for unpaid pre-administration costs is set out in section 6 of this document.