

Joint Administrators' progress report from 2 September 2021 to 1 March 2022

C.L.C Realisations Limited (formerly Cordant Cleaning Limited) and
PRL Realisations 1 Limited (formerly PMP Recruitment Limited)
(both in administration)

In the High Court of Justice Business and Property Courts of England
and Wales Insolvency and Companies List (ChD)

Cleaning - CR-2020-1304
PMP - CR-2020-1300

29 March 2022

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Administrators/ Joint Administrators/ we/ us/ our	Rachael Maria Wilkinson, Zelf Hussain and David Robert Baxendale
ABN	ABN Amro Asset Based Finance N.V (a Secured Creditor)
Barclays	Barclays Bank PLC (a Secured Creditor)
Centrovalli	Centrovalli Limited, a BVI registered company (a Secured Creditor)
Companies	C.L.C Realisations Limited (formerly Cordant Cleaning Limited) (“Cleaning”) PRL Realisations 1 Limited (formerly PMP Recruitment Limited) (“PMP”) - both in administration
Group	Cordant Group Plc and its subsidiaries
Group Facility	Confidential invoice discounting facility provided by RBSIF, Barclays and ABN to Plc and a number of the Group subsidiaries
HMRC	HM Revenue and Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
Lenders	RBS Invoice Finance Limited, Barclays Bank PLC and ABN Amro Asset Based Finance N.V.
LTO	Licence to Occupy
Preferential Creditors	Primarily employee claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Prescribed Part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
Purchasers	Twenty20 Capital Bidco 1 Ltd (“Bidco 1”) and its subsidiaries: 2020 A Ltd, 2020 B Ltd, 2020 C Ltd, 2020 E Ltd, 2020 F Ltd, 2020 G Ltd, 2020 L Ltd, 2020 T Ltd and Twenty20 Midco 1 Limited. Bidco 1 is controlled by Twenty20 Capital Holdings Ltd.
PwC	PricewaterhouseCoopers LLP
RBSIF	RBS Invoice Finance Limited (a Secured Creditor)
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
Secured Creditor(s)	A creditor with security in respect of their debt, in accordance with section 248 IA86
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply SOA
SIP 2	Statement of Insolvency Practice 2: Investigations by office holders and the submission of conduct reports by office holders.

SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
SOA	Directors' Statement of Affairs
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured Creditors	Creditors who are neither secured nor preferential
Wider Companies	<p>C.L.C Realisations Limited (formerly Cordant Cleaning Limited) ("Cleaning") PRL Realisations 1 Limited (formerly PMP Recruitment Limited) ("PMP") Cordant Technical Limited ("Technical") - all in administration</p> <p>Cordant Group Plc ("Plc") PTR Realisations Limited (formerly Cordant People Limited) ("People") Security Realisations Limited (formerly Cordant Security Limited) ("Security") PEG 1 Realisations Limited (formerly Premiere Employment Group Limited) ("Premiere") SFG Realisations Limited (formerly Staffgroup Limited) ("Staffgroup") SGHW Realisations Limited (formerly Sugarman Health & Wellbeing Limited) ("Sugarman") - previously all in administration</p>

This report has been prepared by Rachael Maria Wilkinson, Zelf Hussain and David Robert Baxendale as Joint Administrators of the Companies, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Companies.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Companies' creditors, which can be found at www.pwc.co.uk/cordantgroup. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Rachael Maria Wilkinson, Zelf Hussain and David Robert Baxendale have been appointed as Joint Administrators of the Companies to manage their affairs, business and property as their agents and act without personal liability. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a 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. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Key messages

Why we've sent you this report

We're writing to update you on the progress of the administration of the Companies in the six months since our last report dated 30 September 2021.

You can still view our earlier reports on our website at www.pwc.co.uk/cordantgroup. Please email uk_cordantgroupcreditors@pwc.com if you need the password to access the reports.

How much creditors may receive

The following table summarises the possible outcome for creditors, based on what we currently know.

Class of creditor	Paid (p in £)	Previous estimate (p in £)
Secured Creditors:		
RBSIF		
Barclays	100 (paid)	100
ABN		
ABN (EURO Staffgroup Limited Facility)	100 (paid)	100
Centrovalli	10-12	10-12
Preferential Creditors		
	N/A	N/A
Unsecured Creditors of:		
Cleaning	<0.5	<0.5
PMP	<0.1	<0.2

To date, the Lenders have been re-paid in full from the proceeds of the sale of the businesses and the deferred consideration. A total of £43,005,330.90 has been paid across from the Wider Companies to the Lenders in respect of their first ranking fixed charge held over the Wider Companies' assets.

Centrovalli was owed c.£6m at the time of our appointment and holds a second ranking fixed charge and floating charges over the Wider Companies' assets. To date, Centrovalli have been repaid 4.31% of their debt from Plc, People, Security, Premiere, Staffgroup and Sugarman. We do expect further distributions to Centrovalli from the Companies and from Technical which remain in administration. We expect the final recovery to be in the region of 10-12% of its debt.

As explained in our previous reports, we continue to deal with a significant number of employee matters and in particular employee tribunal claims, despite all employees transferring to the Purchaser under TUPE. At the time of this report, there are currently seven active employee tribunal claims for Cleaning and three employee tribunal claims for PMP that we await the outcome for. Given the nature of the claims, it is important to determine whether any of these would rank as preferential but to date no such claims have been identified.

We expect that the only funds available to the Unsecured Creditors of the Companies will be from their Prescribed Parts. We estimate that the value of the net property (the amount of asset realisations subject to a floating charge, after deducting the costs of realisation and administration, and after paying or setting aside funds to pay the preferential creditors) will be £187k for Cleaning and £171k for PMP. Based on these figures, we think the value of the Prescribed Parts will be £40k for Cleaning and £37k for PMP.

The amount of any dividends to unsecured creditors and when it would be paid is dependent on any further asset

realisations (if any) and costs, any claims that rank as preferential (if any) and the total level of Unsecured claims received in each company. The total value of Unsecured Creditor claims received since our appointment is as follows:

Company	Unsecured Creditor claims received (£)	Unsecured creditor claims as per SoA (£)	Estimated dividend (p in the £)
Cleaning	6,860,388	21,100,793	<0.5
PMP	37,577,673	53,684,960	<0.1

We are currently in the process of adjudicating all received claims. If we require further evidence to substantiate claims, we will contact creditors so that we can agree them for dividend purposes.

What you need to do

If you haven't already done so, please send your claim to us so that we can agree it. Our preferred method for creditors to submit claims and supporting documents is via the Turnkey (IPS) online portal, as this is the most efficient and cost effective way for us to deal with your claim and also allows you to better track its status, so we recommend the use of the online portal for claim submission. If you have not received your unique login details, you can request them by emailing our creditor communications team at uk_cordantgroupcreditors@pwc.com. You will need to submit a separate claim for each of the Companies you wish to make a claim against.

A creditor who we decide is not required to submit a proof of debt will be notified when we deliver notice of our intention to pay a dividend of the amount we'll treat as their admitted debt for the purpose of the dividend, unless the creditor advises us that the amount is incorrect (in which case a proof of debt will be required) or not owed.

Please note that should you wish to vote in relation to any decision procedure during the administration or object to a decision sought by deemed consent, you'll need to submit a proof of debt, even if one is not required for dividend purposes.

Overview of what we've done to date

As explained in our previous reports, the Group was the UK's leading independently owned talent solutions group, serving labour markets across the distribution, delivery, security, cleaning, IT, healthcare and education sectors. Group operations were mainly in the UK, with some operations in France, Germany and Australia.

Further information regarding the Companies' circumstances leading up to our appointment can be found in our Initial letter to creditors with SIP 16 report and Joint Administrators' Proposals for achieving the purpose of administration on our website at www.pwc.co.uk/cordantgroup.

It was decided that the strategy which would provide the optimum outcome for the Companies' creditors as a whole was for the Companies to undertake a pre-packaged sale to one of the parties identified through the sale process.

Immediately after our appointment, we completed a sale of certain businesses and assets of the Wider Companies, realising a total consideration of £43,893,518 plus €3,172,732. Following the sale, we made distributions to the Secured Creditors, managed a large and complex LTO agreement with the Purchaser, novated a significant number of customer contracts, progressed a number of employee tribunal matters and started the claim adjudication process for the Companies.

The only entities that remain in administration from the Wider Companies are Cleaning, PMP and Technical. Further details regarding our work on Technical and the entities that were previously in administration can be found on our website at www.pwc.co.uk/cordantgroup.

In respect of Cleaning and PMP, we remain in office largely to await the outcome of the ongoing employee tribunal claims and, specifically in Cleaning, an ongoing Health and Safety Executive ("HSE") investigation. We also are required to finalise VAT and Tax matters in order to pay a distribution to Secured and Unsecured Creditors.

When we last reported, the key outstanding matters in the administration were as follows:

- Finalising the LTO in place and complete a complete a reconciliation of all funds paid and received under the LTO in the administrations;
- Continue to resolve employee queries where possible and review claims received to determine any preferential status;
- Continue to liaise with the HSE to determine the need for a further extension to the period of the administration;
- Conclude the Companies' tax and VAT affairs and request tax clearance;
- Pay distributions to Centrovalli from the assets realisations subject to its fixed and floating charges; and
- To conclude the adjudication of creditor claims in order to declare and pay a dividend from the Prescribed part to Unsecured Creditors.

Progress since we last reported

Extension to the period of the administrations

As explained in our previous report, we were assessing the need for both Companies to seek an extension to the period of the administration to conclude the matters that needed to be resolved prior to moving the Companies to dissolution. We explain below in detail the progress we have made in resolving these matters but decided that we required an extension to the period of the administrations in order to conclude them. We sought a 24 month extension for Cleaning and a 12 month extension for PMP and both applications were granted by the Courts.

Property

During the period covered by this report, we have continued to manage the LTO agreement that was negotiated with the Purchaser at the time of the sale of the businesses and assets. There remains only one lease with PMP subject to the LTO due to delays between the Purchaser and the Landlord and while we are not actively involved in the negotiations, there has been recent movement in the agreement of future arrangements and we therefore expect the LTO to be concluded shortly.

While we awaited the final lease to be dealt with and the LTO to be concluded, we have performed a reconciliation of the LTO funds held and ensured we hold sufficient funds in advance to pay ongoing rent, service charge and insurance.

We have continued to liaise with our post appointment insurance broker to ensure public liability insurance cover remains in place for vacant properties until a surrender of the lease has been agreed with the landlord.

HSE investigation

As explained in our previous report, we were contacted by the Health and Safety Executive regarding an ongoing investigation in relation to a pre-appointment matter in Cleaning. During the period, we have continued to liaise with the HSE via our solicitors in an attempt to find out more information regarding the claim and advise them of the impact of Cleaning being in administration and what this means for any future claim. As mentioned above, we sought an extension to the period of the administration in line with the expected timeline given by the HSE for their investigation. We will continue to liaise with the HSE with regard to their investigation and monitor how this could impact the future dividend timing and value for creditors and provide you with an update in our next report.

Sundry Debts and Refunds

Since our last report, PMP received £2,599.37 from local authorities in respect of business rates overpayments bringing total rates refunds since appointment to £9,768.72.

Statutory and compliance

During the period covered by this report we have prepared and distributed our progress report for the period 2 March 2021 to 1 September 2021 and complied with our tax and VAT reporting obligations.

Employees

We have continued to deal with a high volume of employees' matters in the period covered by this report. We have sought the assistance of our specialist employee team and solicitors, particularly where the issues are complex and have involved employment tribunals or personal injury claims. As stated earlier in this report, currently there are seven active employee tribunal claims for Cleaning and three employee tribunal claims for PMP that we await the outcome for. Should these employees receive awards from the tribunals, these would be unsecured claims in the administrations and therefore it is key they are resolved prior to paying dividends to creditors.

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and SIP2.

Connected party transactions

As confirmed in our proposals, the Purchasers are controlled by Twenty20 Capital Holdings Limited which has no connection with the directors, shareholders or Secured Creditors of the Group. However, we understand the following parties were granted a minority shareholder interest in Twenty20 Capital Bidco Limited:

Centrovalli - secured lender to the Group

Chris Kenneally - director of People, Staffgroup, PMP, Premiere, Sugarman, Technical, Security, Plc, Cleaning

Alan Connor - director of Plc

Ken Steers - director of Plc

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 2 September 2021 to 1 March 2022.

Our expenses

We set out in Appendix B a statement of the expenses we've incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

Our fees

We set out in Appendix C an update on our remuneration which covers our fees and other related matters in this case.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>

You can also get a copy free of charge by telephoning Syed Shah on 0113 289 4314.

What we still need to do

There is still a significant amount of work to do before the administrations can be concluded. The following is a summary of the key matters:

For PMP only;

- Finalising the LTO ;

For Cleaning only;

- Continue to liaise with the HSE and to establish any unsecured claim resulting from their investigation;

For both Companies;

- Continue to resolve employee queries where possible and review claims received to determine any preferential or unsecured status;
- Conclude the Companies' tax and VAT affairs and request tax clearance;
- Pay distributions to Centrovalli from the assets realisations subject to its fixed and floating charges; and
- Conclude the adjudication of creditor claims in order to declare and pay a dividend from the Prescribed part to Unsecured Creditors.

Next steps

As explained earlier in this report, we were granted extensions to the period of the administrations of 24 months and 12 months for Cleaning and PMP respectively. Based on the work we have to complete, we do not anticipate the need

to seek a further extension; however should this change, we will inform creditors in our next report and provide an update on all other matters in about six months.

If you've got any questions, please get in touch with Syed Shah on 0113 289 4314.

Yours faithfully
For and on behalf of the Companies

A handwritten signature in black ink, appearing to be 'RW' with a long horizontal stroke extending to the right.

Rachael Wilkinson
Joint Administrator

Appendix A: Receipts and payments

Receipts and Payments Account	Cleaning			Total
	SOA	2 March 2020 to 1 September 2021	2 September 2021 to 1 March 2022	
		£	£	£
Assets subject to fixed charges				
Fixed charge realisations				
Debtors		5,352,151.28	-	5,352,151.28
Site Equipment	250,000.00	-	-	-
Computer Equipment	7,500.00	-	-	-
Motor Vehicles	10,500.00	-	-	-
Investments		-	-	-
Total Fixed charge realisations	268,000.00	5,352,151.28	-	5,352,151.28
Fixed charge payments				
Pre-appointment Administrators' fees		(24,443.00)	-	(24,443.00)
Pre-appointment Administrators' disbursements		(6.00)	-	(6.00)
Pre-appointment legal fees		(35,543.00)	-	(35,543.00)
Administrators' fees		(154,451.00)	(20,000.00)	(174,451.00)
Total Fixed charge payments		(214,443.00)	(20,000.00)	(234,443.00)
Distribution under fixed charge		(4,993,228.55)	-	(4,993,228.55)
Net Fixed Charge Realisations		144,479.73	(20,000.00)	124,479.73
Assets subject to floating charges				
Floating charge realisations				
Accrued Income	458,500.00	-	-	-
Trade Debtors	3,260,800.00	-	-	-
Fixtures & Fittings, Plant & Machinery		159,500.00	-	159,500.00
The business		1.00	-	1.00
The business Intellectual Property		1.00	-	1.00
The Computer Systems		1.00	-	1.00
The benefit of the contracts		1.00	-	1.00
The goodwill		1.00	-	1.00
The properties		1.00	-	1.00
The stock		1.00	-	1.00
The records		1.00	-	1.00
Pre Appointment Cash	1,045,000.00	-	-	-
Third party funds		113.41	-	113.41
Total floating charge asset realisations	4,764,300.00	159,621.41	-	159,621.41
Floating charge payments				
Bank charges		(45.00)	-	(45.00)
Professional fees		(1,388.89)	-	(1,388.89)
Legal fees		(13,709.42)	(2,935.00)	(16,644.42)
Insurance		-	(390.09)	(390.09)
Irrecoverable VAT		(151.53)	151.53	-
Total floating charge payments		(15,294.84)	(3,173.56)	(18,468.40)
Net funds held under LTO		(992.61)	992.21	(0.40)
VAT Control account		(7,778.00)	3,901.24	(3,876.76)
Total cash at bank		280,035.69	(18,280.11)	261,755.58

Receipts and Payments Account	PMP			Total
	SOA	2 March 2020 to 1 September 2021	2 September 2021 to 1 March 2022	
		£	£	£
Assets subject to fixed charges				
Fixed charge realisations				
Debtors		15,634,886.08	-	15,634,886.08
Site Equipment	77,500.00	-	-	-
Motor Vehicles	14,500.00	-	-	-
Total Fixed charge realisations	92,000.00	15,634,886.08	-	15,634,886.08
Fixed charge payments				
Pre-appointment Administrators' fees		(42,056.00)	-	(42,056.00)
Pre-appointment Administrators' disbursements		(10.00)	-	(10.00)
Pre-appointment legal fees		(59,714.00)	-	(59,714.00)
Administrators' fees		(173,479.00)	(29,000.00)	(202,479.00)
Total Fixed charge payments		(275,259.00)	(29,000.00)	(304,259.00)
Distribution under fixed charge		(15,094,932.77)	-	(15,094,932.77)
Net Fixed Charge Realisations		264,694.31	(29,000.00)	235,694.31
Assets subject to floating charges				
Floating charge realisations				
Accrued Income	77,500.00	-	-	-
Trade Debtors	15,276,700.00	-	-	-
Fixtures & Fittings, Plant & Machinery		45,500.00	-	45,500.00
The business		1.00	-	1.00
The business Intellectual Property		1.00	-	1.00
The Computer Systems		1.00	-	1.00
The benefit of the contracts		1.00	-	1.00
The goodwill		1.00	-	1.00
The properties		1.00	-	1.00
The stock		1.00	-	1.00
The records		1.00	-	1.00
Pre Appointment Cash	3,558,000.00	142,571.07	-	142,571.07
Bank interest		1.04	-	1.04
Rates refunds		7,169.35	2,599.37	9,768.72
Third party funds		591.43	-	591.43
Total floating charge asset realisations	18,912,200.00	195,840.89	2,599.37	198,440.26
Floating charge payments				
Professional fees		(1,388.89)	-	(1,388.89)
Bank charges		(15.00)	-	(15.00)
Legal fees		(7,878.10)	(1,032.68)	(8,910.78)
Agents fees		(212.79)	(449.52)	(662.31)
Insurance		-	(1,874.44)	(1,874.44)
Irrecoverable VAT		(1,140.56)	1,140.56	-
Total floating charge payments		(10,635.34)	(2,216.08)	(12,851.42)
Net funds held under LTO		10,310.80	(4,999.12)	5,311.68
VAT Control account		(11,751.63)	6,580.76	(5,170.87)
Total cash at bank		448,459.03	(27,035.07)	421,423.96

Notes

1. Cash at bank is deposited in an account eligible for interest subject to Bank of England base rate
2. Trade debtors were assigned to the Secured Creditors under an invoice discounting facility, however statement of affairs prepared by former directors have described these as subject to a floating charge
3. Site equipment, computer equipment and motor vehicles were categorised in statement of affairs as fixed charged assets however based on the nature of the equipment and the inability to identify specific equipment, we have categorised these under floating charge assets as Fixtures & Fittings, Plant & Machinery

4. Both Companies are holding a small balance of third party funds that will be paid to the Purchasers in due course
5. Amounts shown exclude VAT. Funds currently held include monies due from HMRC as shown in the VAT control account

Appendix B: Expenses

Expenses are amounts properly payable by us as administrators from the estate, but excludes our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP 9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the Secured Creditors) also has the responsibility for agreeing the policies for payment of Category 2 expenses.

The rate for services provided by the Administrators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 2 expenses have been incurred by us as administrators or our associates, together with details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case.

Cleaning			
Category	Costs incurred by	Policy	Costs incurred £
1	PwC	<i>Travel expenses</i>	26.16
1	PwC	<i>Postage</i>	1.76
Total incurred during the period			27.92
Total brought forward at 1 September 2021			574.25
Total incurred to 1 March 2022			602.17

PMP			
Category	Costs incurred by	Policy	Costs incurred £
No expenses incurred during the period			0.00
Total incurred during the period			0.00
Total brought forward at 1 September 2021			5,026.74
Total incurred to 1 March 2022			5,026.74

The expense policy set out above has been approved by the Secured Creditors.

The table below provides details of the expenses incurred in the administration:

Cleaning	Brought forward (£)	Incurred in the period (£)	Cumulative (£)	Estimate of future expenses (£)	Estimated total (£)	Original estimate (£)	Variance (£)
Pre-administration costs	59,992	-	59,992	-	59,992	59,992	-
Legal fees and expenses	16,644	19,296	35,941	10,000	45,941	31,839	14,102
Professional fees	1,389	-	1,389	-	1,389	1,389	-
Statutory advertising	-	-	-	87	87	166	(79)
Insurance	247	143	390	800	1,190	190	1,000
Bank charges	45	-	45	56	101	115	(14)
Administrators' fees	154,451	20,000	174,451	47,106	221,557	221,557	-
Administrators' disbursements	574	28	602	100	702	728	(26)
Irrecoverable VAT	152	(152)	-	-	-	-	-
Total	233,494	39,316	272,810	58,149	330,959	315,976	14,983

PMP	Brought forward (£)	Incurred in the period (£)	Cumulative (£)	Estimate of future expenses (£)	Estimated total (£)	Original estimate (£)	Variance (£)
Pre-administration costs	101,780	-	101,780	-	101,780	101,780	-
Legal fees and expenses	8,911	7,982	16,892	5,000	21,892	15,485	6,408
Professional fees	1,389	-	1,389	-	1,389	1,389	-
Statutory advertising	-	-	-	87	87	166	(79)
Insurance	1,316	558	1,874	700	2,574	151	2,424
Bank charges	15	-	15	56	71	100	(29)
Administrators' fees	173,479	29,000	202,479	230,465	432,944	432,944	-
Administrators' disbursements	5,027	-	5,027	100	5,127	5,583	(456)
Agents fees	213	450	662	100	762	-	762
Irrecoverable VAT	1,141	(1,141)	-	-	-	-	-
Total	293,270	36,849	330,119	236,508	566,627	557,597	9,030

The table excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

We think that our expenses will exceed the estimate provided to all creditors before the basis of our fees was fixed. This is mainly due to the increased legal costs we have incurred as a result of seeking an extension to the period of the administration and, in the case of Cleaning, dealing with the ongoing HSE matters which we were unaware of at the time our initial estimate was produced. We also estimate insurance costs above our initial estimate as a result of remaining in office longer than expected and keeping insurance cover in place for properties where the lease has not yet been surrendered.

Appendix C: Remuneration update

Our fees were approved on a fixed fee basis by the Secured Creditors. To 1 March 2022 we have drawn fees of £174,451 for Cleaning and £202,479 for PMP in line with the approval given, as shown on the enclosed receipts and payments accounts. Our total approved fixed fee for Cleaning is £221,557 and for PMP is £432,944.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

Our work in the period

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work:

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors or whether it was required by statute
Accounting and Treasury		
Both Companies; <ul style="list-style-type: none"> Processing receipts, payments and journals Performing bank account reconciliations 	<ul style="list-style-type: none"> Ensuring good stewardship of funds held on behalf of creditors 	<ul style="list-style-type: none"> To ensure the proper management of the estates' funds
Property		
Both Companies; <ul style="list-style-type: none"> Invoicing the Purchaser monthly under the LTO Payment of rent, service charge and insurance for the property occupied by the Purchaser Notifying our insurer of any changes in the property portfolio of the Companies Extending the LTO to facilitate the assignment of the lease to the Purchaser Reconciliation of funds held under LTO Recovery of rates refunds 	<ul style="list-style-type: none"> To recover the maximum value of assets 	<ul style="list-style-type: none"> To ensure all payments in respect of rent have been made To realise the maximum funds for the estate
Creditors		
Both Companies; <ul style="list-style-type: none"> Corresponding with numerous Unsecured Creditors regarding their claims and the prospects of dividends Reviewing and preparing correspondence to creditors and their representatives Arranging for login details to our online creditor portal, to be posted to creditors and answering follow up queries 	<ul style="list-style-type: none"> To provide creditors with information requested 	<ul style="list-style-type: none"> To ensure the correct distribution of funds and ensure creditors are kept informed of their rights
Cleaning only; <ul style="list-style-type: none"> Liaising with our lawyers regarding the correspondence from the HSE Internal discussions regarding the impact of the HSE investigation and requirement to seek an extension to the period of the administration 		

Employees and Pensions

Both Companies;

- Receiving and following up employee enquiries via telephone, post and email
- Liaising with the Purchaser to obtain documentation and data to enable us to respond to queries from former employees
- Communications with Employment Tribunal regarding cases

- To provide creditors with information requested
- To deal with statutory requests under employment legislation where possible

- To ensure creditors are provided with the necessary information

Secured Creditors

Both Companies;

- Liaising with the Secured Creditors regarding the strategy for the closure of the case

- To provide creditors with information requested

- To ensure creditors are provided with the necessary information

Statutory and Compliance

Both Companies;

- Drafting, reviewing and publishing the third progress report in the administration
- Filing case records in line with internal policy
- Instructing our solicitors with regards to extending the period of the administration, providing our solicitors with the necessary information and reviewing and approving the witness statement

- To meet the statutory duties of the Administrators

- Statutory or regulatory duties of the Administrators

Strategy and Planning

Both Companies;

- Holding internal meetings to discuss the ongoing progress of the case
- Planning for the most efficient route for closure
- Conducting case reviews
- Reviewing budgets and forecasts for different workstreams in the administrations

- To ensure proper management of the administrations

- To ensure orderly management and progression of the cases in a cost effective manner

Tax and VAT

Both Companies;

- Liaising with HMRC to request tax clearance
- Preparing, reviewing and submitting quarterly VAT returns

- To meet the statutory duties of the Administrators

- Statutory duties of the Administrators
- Mitigation of the tax liability to the estate

Our future work

We still need to do the following work to achieve the purpose of administration.

Work undertaken

What, if any, financial benefit the work provided to creditors OR whether it was required by statute

Accounting and treasury

Both Companies;

- Dealing with receipts, payments and journals
- Carrying out bank reconciliations
- Closure of the bank account

- Statutory requirements and ensures good stewardship of estate funds

Creditors

Both Companies;

- Continue to resolve employee queries where possible and review claims received to determine any preferential or unsecured status
- Preparing and delivering the Notice of Intended dividend to all creditors
- Adjudicating all claims received before the final date for proving
- Calculating dividend rate and preparing dividend file

- To ensure creditors are provided with the necessary information
- To ensure the correct distribution of funds

- Preparing correspondence to creditors announcing declaration of dividend
- Preparing and paying distribution
- Liaising with creditors regarding their dividend
- Payment of unpresented cheques to the Insolvency Service

Cleaning only;

- Continue to liaise with the HSE and to establish any unsecured claim resulting from their investigation

Property

PMP only;

- Preparing LTO funding requests to the Purchaser
- Arranging for payment of rent for remaining properties subject to LTO
- Liaising with the Purchaser regarding the status of the remaining lease
- Ensuring public liability insurance is maintained for vacant properties
- To comply with the duties of the Administrators under the SPA
- To settle costs funded by the Purchaser that would be considered an expense of the administration

Secured Creditors

Both Companies;

- Making further distributions in accordance with security entitlements
- Responding to Secured Creditors' queries
- To ensure creditors are provided with the necessary information
- To ensure the correct distribution of funds

Statutory and compliance

Both Companies;

- Preparing and issuing periodic and final progress reports to creditors and the Registrar
- Dealing with records in storage and destruction in line with policy
- Preparing closure documents and filing the notice of move to dissolution with the Registrar
- Maintenance of the website and uploading creditor updates
- Closure of internal systems and databases
- To comply with statutory requirements

Strategy and Planning

Both Companies;

- Holding internal meetings to discuss the ongoing progress of the case
- Review of costs against estimates
- Planning for the most efficient route for closure
- To ensure orderly management and progression of the case in a cost effective manner

Tax and VAT

Both Companies;

- Liaising with HMRC on tax clearance and queries on the tax computations submitted
- Continued VAT submissions to recover VAT receivable
- Deregistration for VAT and submission of VAT 426s if required
- To comply with statutory requirements

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

No work which our staff normally do has been subcontracted during the periods of the report and we do not anticipate such requirements in the future.

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm	Reason selected	Basis of fees
Legal advice including: <ul style="list-style-type: none">• completing the sale of the business• negotiation of novation agreements• advice in respect of property matters under the LTO• extension of the LTO• issuing change of name documentation• validity of appointment advice• conducting a security review• advice regarding Employee Tribunal claims• advising on the ongoing HSE claim• application to court to extend the period of the administration	Eversheds Sutherland (International) LLP	Insolvency expertise	Time costs and disbursements Actual total cost: Cleaning - £16,644.42 PMP - £8,910.78
Collection of pre appointment business rates prepayments	CAPA	Industry expertise	Percentage of realisations Actual cost: PMP - £662.31

Appendix E: Other information

Court details for the administration:	In the High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD) Cleaning - CR-2020-1304 PMP - CR-2020-1300
Companies registered name:	C.L.C Realisations Limited (formerly Cordant Cleaning Limited) PRL Realisations 1 Limited (formerly PMP Recruitment Limited)
Trading name:	Cordant Group
Registered number:	Cleaning - 01569634 PMP - 0345614
Registered address of the Company:	8th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the Joint Administrators' appointment:	02 March 2020
Extension to the initial period of appointment:	<p>The period of the administration of both Companies was extended for a period of 12 months to 1 March 2022, by the consent of the Secured Creditors.</p> <p>In the case of Cleaning, the period of the administration has been extended by 24 months to 1 March 2024 as granted by the Courts.</p> <p>In the case of PMP, the period of the administration has been extended by 12 months to 1 March 2023 as granted by the Courts.</p>
Joint Administrators' names, addresses and contact details:	<p>Rachael Maria Wilkinson, PricewaterhouseCoopers LLP, 3 Forbury Place, 23 Forbury Road, Reading RG1 3JH</p> <p>Zelf Hussain, PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT</p> <p>David Robert Baxendale, PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT</p>
