

Joint Administrators' progress report from 2 March 2020 to 1 September 2020

Cordant Group Plc

Security Realisations Limited (formerly Cordant Security Limited)

C.L.C Realisations Limited (formerly Cordant Cleaning Limited)

PTR Realisations Limited (formerly Cordant People Limited)

PRL Realisations 1 Limited (formerly PMP Recruitment Limited)

SFG Realisations Limited (formerly Staffgroup Limited)

PEG 1 Realisations Limited (formerly Premiere Employment Group Limited)

SGHW Realisations Limited (formerly Sugarman Health & Wellbeing Limited)

Cordant Technical Limited

– all in administration

1 October 2020

Table of contents

Abbreviations and definitions	3
Key messages	6
Background and initial actions	8
Progress since we were appointed	10
Appendix A: Receipts and payments	16
Appendix B: Expenses	19
Appendix C: Remuneration update	22
Appendix D: Pre-administration costs	30
Appendix E: Other information	32

Abbreviations and definitions

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

Abbreviation or definition	Meaning
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)
BEIS	Department for Business, Energy & Industrial Strategy
Centrovalli	Centrovalli Limited, a BVI registered company (a Secured Creditor)
Companies (each a Company)	Cordant Group Plc (“ Plc ”) Security Realisations Limited (formerly Cordant Security Limited) (“ Security ”) C.L.C Realisations Limited (formerly Cordant Cleaning Limited) (“ Cleaning ”) PTR Realisations Limited (formerly Cordant People Limited) (“ People ”) PRL Realisations 1 Limited (formerly PMP Recruitment Limited) (“ PMP ”) SFG Realisations Limited (formerly Staffgroup Limited) (“ Staffgroup ”) PEG 1 Realisations Limited (formerly Premiere Employment Group Limited) (“ Premiere ”) SGHW Realisations Limited (formerly Sugarman Health & Wellbeing Limited) (“ Sugarman ”) Cordant Technical Limited (“ Technical ”) - all in administration
FRP	FRP Advisory Trading Limited
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
Staffgroup Facility	£12m receivables finance facility provided by ABN Amro Asset Based Finance N.V. to Staffgroup Limited and its subsidiaries
HMRC	HM Revenue and Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
IR(S)18	Insolvency (Scotland) (Company Voluntary Arrangements and Administration) Rules 2018
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
Prospective Lender	An overseas company, a prospective lender prior to appointment
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)
ROT claims	Claims to retention of title over goods supplied to a Company but not paid for before the Administrators' appointment
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by BEIS, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
Secured Creditor	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
SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
SIP 16	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
SPA	The interlocking agreements for the sale and purchase of the business and assets of the Companies dated 2 March 2020 and made between the Companies and the Purchasers
Termination Date	1 August 2019
TSA	Transitional Services Agreement, an agreement to provide certain services to the Purchasers under the SPA
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured Creditors	Creditors who are neither secured nor preferential

This report has been prepared by Rachael Wilkinson, Zelf Hussain and David Baxendale as Joint Administrators of the Companies, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 and IR(S)18 on 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 or IR(S)18 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.

Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Rachael Wilkinson, Zelf Hussain and David Baxendale were appointed as Joint Administrators of the Companies on 2 March 2020 to manage its affairs, business and property as its agents and 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 the 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 administrations of the Companies in the six months since our appointments as Joint Administrators on 2 March 2020.

You can still view the Joint Administrators' proposals for achieving the purpose of administration on our website www.pwc.co.uk/cordantgroup.

Please get in touch with Syed Shah on 0113 289 4314 or at syed.s.shah@pwc.com if you need the password to access the report.

How much creditors may receive

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

Class of creditor	Forecast return	Forecast timing
Secured Creditors:		
RBSIF	100%	Paid
Barclays		
ABN		
ABN (EURO Staffgroup Limited Facility)	100%	Paid
Centrovalli	c.10%	3 - 6 months
Preferential Creditors	See below	See below
Unsecured Creditors of:		
Cordant Group Plc	Nil	Not applicable
Security Realisations Limited (Security)	Nil	Not applicable
C.L.C Realisations Limited (Cleaning)	<0.5%	3 - 6 months
PTR Realisations Limited (People)	<0.5%	3 - 6 months
PRL Realisations 1 Limited (PMP)	<0.5%	3 - 6 months
SFG Realisations Limited (Staffgroup)	Nil	Not applicable
PEG 1 Realisations Limited (Premiere)	Nil	Not applicable
SGHW Realisations Limited (Sugarman)	Nil	Not applicable
Cordant Technical Limited (Technical)	10 - 20%	3 - 6 months

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

At the time of our appointment, Centrovalli was owed over £6m and we do not expect them to be repaid in full under their second ranking fixed charge and floating charges over the Companies' assets.

During the period, we have been dealing with a significant number of employee matters and in particular potential claims. We are currently assessing these claims and identifying those that would rank as preferential claims. Although the number of claims and the quantum can not yet be determined, should it become apparent that these employee claims rank as preferential, we will look to pay a dividend to these creditors providing there is sufficient funds in the relevant company to do so.

The total value of Unsecured Creditor claims received during the period covered by this report are as follows:

Company	Unsecured Creditor claims received (£)
Plc	694,314
Security	9,432,694
Sugarman	833,892
Staffgroup	0
Premiere	2,543,496
People	5,462,547
PMP	34,302,818
Cleaning	5,577,828
Technical	57,146

Information on dividend prospects for creditors of the Companies is provided in the previous section. The amount of any dividend and when it would be paid is dependent on any further asset realisations and costs and the total level of claims received in each Company.

We've started asking for outstanding claims from Unsecured 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 in principle, should a distribution to Unsecured Creditors be payable. 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.

We may decide that some or all creditors who are owed £1,000 or less by a Company won't be required to submit a proof of debt in order to receive the anticipated dividend payment.

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.

Background and initial actions

Background

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. Its head office was in London, with a network of divisional head offices across the UK.

Plc had 20 trading subsidiaries (direct and indirect) and operated under various brand names including Cordant, Staffgroup and Sugarman. The Group utilised a £80m (previously £110m) multi-currency receivables finance facility made available by the Lenders. This facility is secured by debentures and other security documents, providing first ranking fixed charge security and floating charges over certain assets of various trading companies within the Group (including share pledges over the shares of certain subsidiaries and cross guarantees from Plc and certain subsidiaries).

ABN also provided a £12m receivables finance facility to Staffgroup Limited and its subsidiaries. This facility is secured by guarantees granted by various Staffgroup companies including fixed and floating charge debentures and share pledges.

In addition, Centrovalli provided a loan facility to Plc and this facility is secured by fixed and floating charges and guarantees granted by various Group companies. At the time of our appointment, their total lending was £6,031,143.

The circumstances leading to our appointment

Further information regarding the Companies' circumstances leading up to our appointment can be found in our Initial letter to creditors with SIP16 report and Joint Administrators' Proposals for achieving the purpose of administration on our website at www.pwc.co.uk/cordantgroup.

In summary;

- Both the Group Facility and the Staffgroup Facility were due to expire on 1 August 2019, the Termination Date. In addition, Plc was due to file statutory accounts for the year ended 31 December 2018 by 30 June 2019 and required facilities for a minimum of 12 months thereafter in order to satisfy the audit requirements for going concern.
- The Group were in discussions about a full refinance of the Group Facility with the Lenders since April 2016, and the Group Facility had been restructured in May 2016, June 2017 and July 2018 to extend the previous termination dates.
- The Group had been notified of defaults and termination events under the facility and on 17 January 2019, the Group received notice from the Lenders that it was required to conclude a refinance on or before 31 March 2019 or provide alternative proposals.
- During the rest of 2019, the Group undertook a number of different initiatives to refinance but were unsuccessful to secure a formal arrangement prior to the Termination Date following an extension of 2 months by the Lenders.
- On 27 September 2019, the Lenders issued a forbearance agreement, allowing a continuation of facilities to 31 January 2020 to allow the Group to find an alternative lender or if this was not successful to complete a sale of the Group.
- The forbearance agreement was formally signed on 24 December 2019 stating that the Group had until 6 January 2020 to complete a refinance and if a refinance was not completed by this date, the Group would begin an accelerated process to dispose of the entire Group either as a whole or on a piece-meal basis in order to repay the Lenders. This sale was required to be completed by 28 February 2020. In parallel, the Group instructed PwC to undertake a detailed separation review to determine if and how the Group could be sold on a piece-meal basis.
- The Group instructed Deloitte to seek a buyer for the trading businesses of the Group on an accelerated sale basis. At the end of January 2020, the Group requested an extension to the forbearance period in order to complete a sale to one of the interested parties who had submitted an offer through the Deloitte sales process. This was granted by the Lenders on a rolling weekly basis, on the condition that it would not be extended beyond 28 February 2020.
- On 30 January 2020, the Group was notified that from 11 February 2020 all "soft" facilities, e.g. BACs facilities and credit cards would need to be cash backed. In addition, the Group's invoice discounting facility was reduced from a maximum of £110m to £80m.

On 21 February 2020, the directors of the Companies filed a notice of intention to appoint Administrators and on 2 March 2020, the directors appointed Rachael Wilkinson, Zelf Hussain and David Baxendale as Administrators of

the Companies.

Pre-packaged sales of the business and assets

Following our appointment as Administrators of the Companies' on 2 March 2020, the majority of the business and assets of the Companies were sold as a going concern to a series of entities controlled by Twenty20 Capital Holdings Ltd, a London & European based private investment firm with a focus in the UK and European staffing and services Sectors. All employees have transferred to the new entities and the purchaser will continue to honour customer contracts.

The sales were the best available outcome for creditors as a whole in all the circumstances. The sales have preserved over 45,000 jobs, provided continuity of service to over 2,000 customers, and significantly mitigated creditor claims.

Progress since we were appointed

Sale of business and assets

As explained earlier, immediately following our appointment, we completed a sale of all the businesses and assets of all Companies, realising a total consideration of £43,893,518 plus € 3,172,732. As required by SIP16 and SIP13, a detailed explanation of why the pre-packaged sale was undertaken and why this was preferable to the alternative options was circulated to all known creditors and included with our proposals. A copy of this disclosure is available on the website at www.pwc.co.uk/cordantgroup. In summary, we think the pre-pack sale achieved the best outcome for creditors as a whole because:

- The offers received in the sales process which maximised returns to creditors were made on the basis of the transaction being executed via a pre-packaged administration sale;
- the nature of the Companies' businesses means that, in an insolvency situation, much of the Companies' key employee resource could quickly be lost and key customers would seek alternative providers to give greater certainty to their supply chains;
- We have assessed the likely returns in the event that the group was broken up and consider the value achieved for all transactions in each of the Companies exceeds the break up value of their assets;
- The Group's banking facilities had already been withdrawn or restricted and the Lenders had made it clear that no facilities would be available after 28 February 2020. Without these ongoing facilities the Group could not continue to trade. It was therefore inevitable that the Group would require an insolvency process;
- All the Secured Creditors supported the transaction;
- The sale ensures continuity of supply to customers, thereby mitigating against contractual claims that would otherwise arise against the Companies; and
- The sale resulted in the transfer of c.45,000 employees thereby mitigating preferential and non-preferential creditor claims.

The sale of the businesses and assets was a complex transaction involving the 9 selling Companies in administration, and the ten purchasing entities acquiring assets from across the Companies, not just on a one to one basis. For example, trading assets were acquired by a different purchasing entity from shareholdings in trading subsidiaries. In addition, it required the release of security by the various Secured Creditors and putting in place new security in respect of the deferred consideration. The transaction included saving a number of Group entities as solvent going-concerns, including overseas companies and operations.

As discussed in our proposals, £10 million of the consideration for the sale of the Companies' businesses and assets was deferred and was payable unconditionally on 13 March 2020. We can confirm that the deferred consideration was received and no further consideration is due in respect of the sale of the business and assets.

The enclosed receipts and payments accounts show the receipt of the sale proceeds into the administrations.

Despite the successful and immediate sale of the Companies' business and assets, there remained a significant amount of work to do in the administrations, broadly split as follows:

- Matters arising directly in connection to the sale;
- Retention of title claims;
- Managing the property portfolio under the Licence to Occupy;
- Dealing with employee matters, including tribunals, employee queries and claims;
- Fulfilling statutory obligations on the Joint Administrators; and
- Dealing with other areas of the Companies' affairs (including tax and VAT).

We provide more detail below on our work in these areas during the first six months of the administrations.

Post sale matters

We have spent a significant amount of time in the period assisting the Purchasers with post-sale matters, as described below.

Pre-appointment bank accounts

As part of the SPA, we agreed with the Purchaser to facilitate the movement of funds to the Companies' pre-appointment accounts to ensure the payment of payroll until the Purchaser was able to set up their own banking facilities. As part of this TSA, the Purchasers put us in funds for the transfer, subsequent bank charges and

also paid a fee of £550 net per transaction. The TSA was initially agreed for 4 weeks but was extended to a total period of 7 weeks while the Purchaser finalised its own banking arrangements.

The Companies pre-appointment accounts have also continued to receive monies from customers and we have swept over these funds into the administration estate and paid over amounts due to the Purchasers following a reconciliation to identify and segregate any amounts owed to the Companies.

Deferred consideration and other post sale obligations

Following payment of the deferred consideration, we liaised with our legal advisors to release the security taken at the time of the sale.

We have also executed the necessary documents to register the share sales for the Staffgroup subsidiaries in various overseas jurisdictions, and dealt with other requests by the purchaser to assist them with the post sale matters, including confirmation to individual customers as to where debtor payments should be made.

Contract novations

We have novated a number of the Companies' pre-appointment contracts to the Purchasers. Time has been spent corresponding with customers, suppliers and the Purchasers, including legal reviews of agreements, commercial negotiations and proposed amendments from certain customers and suppliers before final agreements were reached.

Retention of title ("ROT")

There were a small number of suppliers who claimed ROT over stock held by the Companies. We have liaised with the claimants and the Purchasers to seek to resolve these claims. In most of the cases where there was a valid ROT claim, the Purchasers were able to reach a settlement with the suppliers to purchase the stock, providing those suppliers with a more favourable alternative than arranging collection of their stock for resale.

Alternatively, the Purchasers have liaised with suppliers to arrange for the collection of the goods where settlements could not be achieved.

Properties

As you may recall from our proposals, on appointment, a licence to occupy was granted to the Purchasers for an initial period of six months for 63 UK properties and 1 overseas property. This provided the Purchasers with a temporary arrangement whilst they negotiated with landlords for new leases or put in place alternative arrangements. A large number of the Companies' properties are held from individual owner-managed landlords and considerable time has been spent in liaising between landlords and the Purchasers. The Covid 19 lockdown also complicated the Purchasers plans to exit certain of the properties, delaying matters and resulting in a number of disputes with certain landlords.

During the period of this report, the Purchaser has made progress with landlords, resulting in the agreement of 9 new leases and offers to surrender of 29 leases where the properties were no longer required.

In order to provide time for the Purchaser to deal with the remaining leases, we have agreed to an extension of the licence to occupy (LTO) period until 1 January 2021. During the LTO period, we will continue to provide reasonable assistance to the Purchaser with the assignment and/or surrender of properties. Until the end of the LTO extension, or such time as leases are assigned or properties vacated, the Companies will continue to pay rent to landlords for the periods of beneficial occupation after being put in funds by the Purchasers for those specific properties.

All landlord queries and communication should be directed to uk_cordantgroupproperty@pwc.com.

Sundry Debts and refunds

We have contacted all the business rating authorities for the Companies' premises seeking recovery of any rates prepayments. To date we have recovered £2,577 for PMP, £4,593 for People and £286 for Sugarman. We do expect some further recovery of business rates prepayments on other properties.

Realisation of other assets

Rent deposit account

We have recovered £2,185.42 into the estate of PTR Realisations Limited from a rent deposit account for a property previously rented by PTR Realisations Limited.

Employees

As confirmed in our proposals, the sale of the businesses and assets of the Companies included the transfer of c.45,000 employees of the Companies under TUPE. In addition, the transfer of other Group companies as solvent going concerns safeguarded further jobs across the Group.

During the period we have spent a significant amount of time liaising with the Purchasers as queries and claims have arisen from the companies' former employees.

This work has included:

- Meeting with Companies' staff to discuss remaining employment matters.
- Responding to ex employees regarding settlement discussions and agreements pre dating administration.
- Reviewing and understanding detail of claims made by individuals, and challenging amounts owed to them where appropriate.
- Responding to individual ex employees regarding their concerns over outstanding money and the settlement agreements.
- Keeping the creditor team informed on the status of individual correspondence and communications from the HR team regarding ex employee creditors.
- Liaising with the HR team to obtain further information to prepare responses to individuals.
- Reviewing outstanding litigation relating to employees whose employment terminated prior to administration.
- Collating information relating to all outstanding employment litigation
- Analysis regarding likely unsecured/preferential claim status.
- Working with the creditor team to draft and send out letters to all relevant tribunals and parties,

Pensions

Our specialist pensions team identified the operational pension schemes and ascertained the main issues requiring attention. We issued statutory notifications of the administration appointments where required, in accordance with pensions legislation.

Our work has primarily been in connection with unpaid pre-appointment contributions and includes:

- Liaising with the Pensions Regulator in relation to auto enrolment requirements
- Correspondence with numerous parties to ascertain pensions and employee risk benefits information
- Review of the Pension Protection Fund online database and Department for Work and Pensions tracing service for pension information

Tax and VAT

As Administrators, we become responsible for dealing with the Companies' tax and VAT affairs and filing obligations. By complying with our reporting obligations we ensure maximum recovery of funds from HMRC to the estate of the Companies and ensure we pay the correct amount of tax. Our specialist TAX and VAT team's work on this matter has included:

- notifying HMRC of our appointment as Administrators through the issuing of Administrators appointment documents;
- liaising with R&D Specialist team in relation to Research and Development Expenditure Credit claims, for amounts claimed pre-administration;
- preparing the intercompany balances matrix with tax analysis for the relevant creditor and debtor balance of each company in the group;
- detailed review of FY18 tax computations for the 9 Cordant group entities;
- preparation and submission of the Senior Accounting Officer certificates and notification letter;
- internal calls regarding the elimination of the dormant entities;
- summarising the tax loss position for the 2018 financial year tax computations;
- reviewing the books and records of the Companies and reviewing their tax history;
- responding to loss enquiries from the Purchasers;
- dealing with queries from HMRC notices; and

- responding to queries from the Purchasers regarding PAYE tax account issues on Cordant Group Plc.

Connected party transactions

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

Centrovalli - secured lender to Group

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

Alan Connor - director of Plc

Ken Steers - director of Plc

Approval of our proposals

We issued to creditors our proposals for achieving the purpose of administrations dated 9 March 2020.

We said in our proposals that we thought the Companies did not have enough assets to pay a dividend to Unsecured Creditors other than from the prescribed part. This meant that we did not have to hold creditors' meetings to approve our proposals and our proposals would be treated as approved if creditors did not request a meeting in the required manner. As creditors did not request a meeting, our proposals were deemed approved on 19 March 2020.

Investigations and actions.

We have reviewed the Companies' affairs and taken into account any points raised by creditors in discharging our duties under the Company Directors' Disqualification Act 1986 and SIP2. At this time, nothing has come to our attention to suggest that we need to do any more work in line with our duties.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in each administration from 2 March 2020 to 1 September 2020.

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

During the period covered by this report we did the following to fix the basis of our fees :

- Prepared and circulated a remuneration report for Technical to Secured Creditors for their consideration;
- Commenced preparation of a remuneration report circulation to creditors of Plc, People, Security, PMP, Sugarman, Staffgroup, Cleaning and Premiere, with a view to circulating it in early October 2020.

As Technical is a Scottish company, the rules and timescales which govern the approval of the administrators fees are different, hence this is being dealt with separately from the other Companies.

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

Pre-administration costs

You can find in Appendix D information about the approval of the unpaid pre-administration costs previously detailed in our proposals. We will seek consent to pay these as expenses of the administrations at the same time as seeking approval for the basis of our fees.

Creditors' rights

Plc, Security, Sugarman H&W, Staffgroup and Premiere People, PMP, Cleaning

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 our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/creditors-guide-administrators-fees-final.ashx>

Technical

You can find a note explaining the rights of creditors in relation to our fees and expenses, and how to request further information, online at:

https://www.icas.com/_data/assets/pdf_file/0015/2265/Creditors-Guide-to-Administrators-Renumeration-ICAS.pdf

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

- surrender leases or complete assignments of leasehold properties as appropriate;
- make interim distributions to the Secured Creditors;
- continue to respond to and deal with employee queries;
- deal with any remaining post sale matters;
- pay distributions to the preferential creditors and to unsecured creditors from the prescribed part where applicable; and
- complete reconciliations of pre appointment account balances held, contract novations and any other post sale matters.

Once this (and all other) work has been completed, we will look to make the final distributions to the Secured Creditors. Other work will include compliance with our statutory duties as Administrators, dealing with the Companies VAT and tax affairs and other incidental tasks associated with the winding down and ultimate dissolution of the Companies.

Next steps

In addition to the above work, we are currently considering the necessity for extending the period of the administrations beyond the statutory period of one year.

It is possible that the administrations may end at different times, unless we consider that it is more cost effective to bring them to an end simultaneously. We'll provide an update on this in our next report.

We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner.

If you've got any questions, please get in touch with Syed Shah on 0113 289 4314 or email syed.s.shah@pwc.com.

The actual exit route will depend on the outcome of each administration. At the moment we think that the most likely exit routes are as set out below:

Plc, Security, Sugarman H&W, Staffgroup and Premiere

We don't think there will be any dividend for Unsecured Creditors. Assuming that's the case, once we've finished our work we'll file a notice with the Registrar of Companies and the Companies will be dissolved three months later. But if we think that there are matters that may be more cost effective to be conducted in a liquidation rather than in

the administration, we may instead apply for a court order ending the administration and for the Companies to be wound up.

People, PMP, Cleaning and Technical

We think there will be a dividend for Unsecured Creditors from the prescribed part only. Assuming that's the case, once we've paid any prescribed part dividend and finished our other work, we'll file a notice with the Registrar of Companies and the Companies will be dissolved three months later. But if we think that there are matters that may be more cost effective to be conducted in a liquidation rather than in the administration, we may instead apply for a court order ending the administration and for the Companies to be wound up.

If necessary to achieve the objectives of the administration and complete our work, we may seek an extension to the period of the administration (beyond the statutory period of one year), by consent of the appropriate class of creditor - most likely to be the Secured Creditors only - or by an order of the court.

Yours faithfully

For and on behalf of the Companies

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

Rachael Maria Wilkinson
Joint Administrator

Appendix A: Receipts and payments

Receipts and Payments Account	Plc		PMP		Security	
	SOA	Realised to 1 September 2020	SOA	Realised to 1 September 2020	SOA	Realised to 1 September 2020
Assets subject to fixed charges						
Fixed charge realisations						
Debtors		-		15,634,886.08		8,235,980.88
Site Equipment	37,000.00	-	77,500.00	-	10,000.00	-
Computer Equipment		-		-	23,000.00	-
Motor Vehicles		-	14,500.00	-	17,000.00	-
Investments	317,000.00	-	-	-	-	200,000.00
Total Fixed charge realisations	354,000.00	-	92,000.00	15,634,886.08	50,000.00	8,435,980.88
Fixed charge payments						
Total Fixed charge payments		-		-		-
Distribution under fixed charge		-		(15,094,932.77)		(7,966,746.41)
Net Fixed Charge Realisations		-		539,953.31		469,234.47
Assets subject to floating charges						
Floating charge realisations						
Accrued Income		-	77,500.00	-	2,619,000.00	-
Trade Debtors		-	15,276,700.00	-	4,629,500.00	-
Investments		299,994.00	-	-	-	-
Fixtures & Fittings, Plant and machinery		-		45,500.00		26,000.00
The benefit of the bond documents		-		-		1.00
The business		1.00		1.00		1.00
The business Intellectual Property		1.00		1.00		1.00
The Computer Systems		1.00		1.00		1.00
The benefit of the contracts		1.00		1.00		1.00
The goodwill		1.00		1.00		1.00
The properties		-		1.00		1.00
The stock		-		1.00		1.00
The records		1.00		1.00		1.00
Funding from TSA		6,600.00		-		-
Pre Appointment Cash		62,713.45	3,558,000.00	142,571.07	1,937,000.00	-
Bank interest		441.97		1.04		0.01
Rates refunds		-		2,576.61		-
Third party funds		-		441.43		-
Total floating charge asset realisations		369,755.42	18,912,200.00	191,098.15	9,185,500.00	26,009.01
Floating charge payments						
Professional fees		(12,500.00)		-		-
Bank charges		(15.00)		-		-
Total floating charge payments		(12,515.00)		-		-
Net funds held under LTO		-		70,365.74		(597.98)
VAT Control account		(1,180.00)		9,021.67		(2,284.86)
Total cash at bank		356,060.42		810,438.87		492,360.64

Receipts and Payments Account	People		Technical		Cleaning	
	SOA	Realised to 1 September 2020	SOA	Realised to 1 September 2020	SOA	Realised to 1 September 2020
Assets subject to fixed charges						
Fixed charge realisations						
Debtors		4,282,822.52		-		5,352,151.28
Site Equipment	210,000.00	-		-	250,000.00	-
Computer Equipment		-		-	7,500.00	-
Motor Vehicles		-		-	10,500.00	-
Investments		1,703,067.05		-		-
Total Fixed charge realisations	210,000.00	5,985,889.57	-	-	268,000.00	5,352,151.28
Fixed charge payments						
Total Fixed charge payments		-		-		-
Distribution under fixed charge		(5,425,731.77)		-		(4,993,228.55)
Net Fixed Charge Realisations		560,157.80		-		358,922.73
Assets subject to floating charges						
Floating charge realisations						
Accrued Income		-		-	458,500.00	-
Trade Debtors	3,626,000.00	-	90,600.00	-	3,260,800.00	-
Debtors	-	-	-	334,538.50	-	-
Fixtures & Fittings, Plant and machinery		100,000.00	5,500.00	3,000.00		159,500.00
The business		1.00		1.00		1.00
The business Intellectual Property		1.00		1.00		1.00
The Computer Systems		1.00	-	1.00		1.00
The benefit of the contracts		1.00		1.00		1.00
The goodwill		1.00		1.00		1.00
The properties		1.00		1.00		1.00
The stock		1.00	-	1.00		1.00
The records		1.00		1.00		1.00
Pre Appointment Cash		-	27,000.00	41,892.63	1,045,000.00	-
Bank interest		0.01		0.33		-
Rates refunds		4,592.90		-		-
Rent deposit		2,185.42		-		-
Third party funds		999.52		-		47,009.96
Total floating charge asset realisations	3,626,000.00	107,785.85	123,100.00	379,439.46	4,764,300.00	206,517.96
Floating charge payments						
Bank charges		(15.00)		-		(15.00)
Statutory advertising		-		(83.00)		-
Total floating charge payments		(15.00)		(83.00)		(15.00)
Net funds held under LTO		118,459.40		-		11,373.64
VAT Control account		9,992.81		-		(1.53)
Total cash at bank		796,380.86		379,356.46		576,797.80

Receipts and Payments Account	Premiere		Staffgroup		Sugarman H&W	
	SOA	Realised to 1 September 2020	SOA	Realised to 1 September 2020	SOA	Realised to 1 September 2020
Assets subject to fixed charges						
Fixed charge realisations						
Debtors		3,441,092.16		-		1,269,708.95
Site Equipment		-		-		-
Computer Equipment	30,000.00	-		-	25,000.00	-
Motor Vehicles		-		-		-
Investments		-		5,489,340.82		-
Total Fixed charge realisations	30,000.00	3,441,092.16	-	5,489,340.82	25,000.00	1,269,708.95
Fixed charge payments						
Total Fixed charge payments		-		-		-
Distribution under fixed charge		(3,267,000.33)		(5,165,007.59)		(1,092,683.56)
Net Fixed Charge Realisations		174,091.83		324,333.23		177,025.39
Assets subject to floating charges						
Floating charge realisations						
Trade Debtors	3,079,500.00	-		-	1,595,900.00	-
Fixtures & Fittings, Plant and machinery		16,000.00		-		13,000.00
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
Bank interest		0.01		-		-
Rates refunds		-		-		285.75
Third party funds		-		-		385.94
Total floating charge asset realisations	3,079,500.00	16,008.01	-	-	1,595,900.00	13,679.69
Floating charge payments						
Total floating charge payments		-		-		-
Net funds held under LTO		32,107.22		-		21,835.63
VAT Control account		7,778.93		-		4,367.14
Total cash at bank		229,985.99		324,333.23		216,907.85

Notes

Cash at bank is deposited in an account eligible for interest subject to Bank of England base rate

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

The statement of affairs produced by the director for Cordant Technical stated all assets were uncharged, however, we believe this to be inaccurate and all assets for Cordant Technical are subject to a floating charge

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as Administrators from the estate and includes our fees, but excludes distributions to creditors. The table also 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. We haven't included an estimate of our fees as administrators, as the basis of our fees has yet to be fixed. The details on this will be provided in the remuneration report shortly.

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.

PLC	Incurred to date	Estimate of future expenses	Estimated total
	(£)	(£)	(£)
Pre-administration costs	55,784	-	55,784
Legal fees and expenses*	1,493	788	2,281
Professional fees	1,389	-	1,389
Statutory advertising	83	-	83
Bank charges	15	100	115
Office holders' disbursements	2,594	500	3,094
Total	61,358	1,388	62,746

Security	Incurred to date	Estimate of future expenses	Estimated total
	(£)	(£)	(£)
Pre-administration costs	86,429	-	86,429
Legal fees and expenses*	13,176	19,050	32,226
Professional fees	1,389	-	1,389
Statutory advertising	83	-	83
Bank charges	-	100	100
Office holders' disbursements	231	500	731
Total	101,307	18,737	120,044

Cleaning	Incurred to date	Estimate of future expenses	Estimated total
	(£)	(£)	(£)
Pre-administration costs	59,992	-	59,992
Legal fees and expenses*	16,970	14,868	31,839
Professional fees	1,389	-	1,389
Statutory advertising	83	83	166
Insurance	40	150	190
Bank charges	15	100	115
Office holders' disbursements	228	500	728
Total	78,718	15,701	94,419

People	Incurred to date (£)	Estimate of future expenses (£)	Estimated total (£)
Pre-administration costs	114,572	-	114,572
Legal fees and expenses*	4,921	23,882	28,803
Professional fees	1,389	-	1,389
Statutory advertising	83	83	166
Insurance	825	1,000	1,825
Bank charges	15	50	65
Office holders' disbursements	227	500	727
Total	122,032	25,515	147,547

PMP	Incurred to date (£)	Estimate of future expenses (£)	Estimated total (£)
Pre-administration costs	101,780	-	101,780
Legal fees and expenses*	9,931	5,554	15,485
Professional fees	1,389	-	1,389
Statutory advertising	83	83	166
Insurance	51	100	151
Bank charges	-	100	100
Office holders' disbursements	4,583	1,000	5,583
Total	117,816	6,837	124,653

Staffgroup	Incurred to date (£)	Estimate of future expenses (£)	Estimated total (£)
Pre-administration costs	32,831	-	32,831
Legal fees and expenses*	86,220	5,554	91,774
Professional fees	1,389	-	1,389
Statutory advertising	83	-	83
Bank charges	-	25	25
Office holders' disbursements	251	250	501
Irrecoverable VAT	26,734	3,383	30,117
Total	147,508	9,212	156,720

Premiere	Incurred to date (£)	Estimate of future expenses (£)	Estimated total (£)
Pre-administration costs	34,407	-	34,407
Legal fees and expenses*	67	2,799	2,866
Professional fees	1,389	-	1,389
Statutory advertising	83	250	333
Insurance	224	-	224
Bank charges	-	50	50
Office holders' disbursements	225	500	725
Total	36,395	3,599	39,994

Sugarman	Incurred to date (£)	Estimate of future expenses (£)	Estimated total (£)
Pre-administration costs	36,026	-	36,026
Legal fees and expenses*	7,463	9,022	16,485
Professional fees	1,389	-	1,389
Statutory advertising	83	-	83
Insurance	51	50	101
Bank charges	-	50	50
Office holders' disbursements	230	500	730
Total	45,242	9,622	54,863

Technical	Incurred to date (£)	Estimate of future expenses (£)	Estimated total (£)
Pre-administration costs	20,468	-	20,468
Legal fees and expenses*	8,346	13,426	21,772
Professional fees	1,389	-	1,389
Statutory advertising	83	83	166
Bank charges	-	50	50
Office holders' disbursements	230	500	730
Total	30,515	14,059	44,575

*Please note that under the SPA certain legal fees and expenses will be recharged to the Purchaser. The costs to be recharged are as follows:

Entity	Costs to be recharged (£)
Group	1,493.00
Security	4,450.00
Cleaning	3,770.75
People	2,305.00
PMP	1,587.50
Staffgroup	78,474.37
Premiere	0.00
Sugarman	237.50
Technical	0.00
Total	92,318.12

Appendix C: Remuneration update

We are currently in the process of seeking formal fee approval from the relevant classes of creditor for each company. In general, the fee approving body will be the Secured Creditors, and any Preferential Creditors if applicable.

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		
<ul style="list-style-type: none"> Opening bank accounts and arranging facilities Arranging for sweeps from pre-appointment bank accounts and reconciling estate funds and funds due to the Purchaser Preparing and reviewing the receipts and payments report Processing receipts, payments and journals 	<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 funds that will in due course be distributed to creditors.
Property		
<ul style="list-style-type: none"> Liaising with the Purchaser regarding the licences to occupy Fulfilling our obligations under the SPA Liaising with 63 landlords regarding outstanding rental arrears and other practical matters Obtaining funds from the Purchaser in order to pay rent Contacting 8 landlords regarding the offer of informal surrender after appointment Contacting 29 landlords regarding the offer of informal surrender following the vacation of the Purchaser Seeking legal advice in relation to property matters Seeking and obtaining public liability insurance of leasehold property sites of the Companies 	<ul style="list-style-type: none"> To recover the maximum value for assets. 	<ul style="list-style-type: none"> To realise the maximum funds to be distributed to creditors.
Creditors		
<ul style="list-style-type: none"> Corresponding with Unsecured Creditors regarding their claims and the prospects of future dividends Updating our website to include up to date information for creditors 	<ul style="list-style-type: none"> To ensure valid claims are admitted for dividend purposes To distribute funds to the creditors 	<ul style="list-style-type: none"> To ensure the correct distribution of funds.

- Set up and staffed a customer helpline and email mailbox, along with the redirection of the Company website and postal mail
- Liaising with third parties and the purchaser to facilitate novation and termination of hire purchase agreements
- Arranging access to an online portal for all creditors from they can receive updates on the status of their claims
- To provide creditors with information requested.

Employees and Pensions

- Drafting, issuing and delivering initial communications and announcements
- Collating information relating to all outstanding employment litigation, including: current claim status, claim type, quantum assessment
- Writing to all relevant tribunals and parties, to stay the litigation by reason of the administration
- Responding to correspondence from the tribunal and parties to litigation regarding the status of the administration and how this impacts upon the litigation
- Dealing with a high court application for the lifting of a stay and the associated consent order
- Writing to claimants to invite submission of proof of debt form and withdrawal of claims
- Review of PPF online database, DWP tracing search and accounts for pensions information for each of the Companies
- Liaison with numerous parties to ascertain pensions and employee risk benefits information
- Issuing of statutory notices in respect of occupational schemes to the Pension Protection Fund advising of our appointment
- Copies were also issued to The Pensions Regulator and trustees as appropriate
- Corres with The Pensions Regulator in relation to no further auto-enrolment requirements
- To ensure orderly management and progression of the case in a cost effective manner.
- We are required by statute to perform our functions as quickly and efficiently as possible.

Investigations

- Collecting books and records of the Company where relevant to investigatory work
- Investigated possible wrongful trading by carrying out a detailed review of transaction in Companies' bank statement
- Performed bankruptcy and disqualification searches on current and former directors of the Companies
- Reviewed directors loan accounts for improper activity
- Sought information from creditors on wrongful trading and reviewed responses
- Submitting our report on the conduct of the directors to the BEIS
- Required by statute
- Required by Company Directors Disqualification Act 1986

Secured Creditors

- Notifying Secured Creditors of appointment
- Preparing updates to Secured Creditors
- Responding to Secured Creditors' queries
- Making distributions in accordance with security entitlements
- To distribute funds to the creditors
- To provide creditors with information requested.
- To ensure creditors are provided with the necessary information

Statutory and Compliance

- Preparing and issuing all necessary initial letters and notices regarding the administration and our appointment
- Preparing and issuing our SIP16 report to creditors
- Drafting and reviewing a statement of Proposals to creditors including preparing receipts and payments accounts and statutory information
- Circulating notice of the Proposals to creditors, members and the Registrar of Companies
- Circulating notice of deemed approval of the Proposals
- Preparing for circulation to creditors a report giving details of the work we expect to carry out during the case, and the expenses that are likely to be incurred
- Requesting the Directors to prepare their Statements of Affairs
- Filing the Directors Statements of Affairs with the Registrar of Companies
- Filing change of name documentation with the Registrar of Companies
- Filing case records in line with internal policy
- Dealing with postal correspondence received
- Obtaining required insurance cover
- To meet the statutory duties of the Administrators.
- Statutory or regulatory duties of the Administrators.

Strategy and Planning

- Conducting regular reviews of the file to assess case strategy and progress
- Holding internal meetings to discuss the ongoing progress of the case
- Maintaining fee budgets & monitoring costs
- Considering timings for key milestones and key strategic decisions
- Arranging and holding telephone conferences with our lawyers
- Reviewing the future work to be undertaken
- To ensure proper management of the administration.
- To ensure orderly management and progression of the case in a cost effective manner

Sale of business

- Completing the sale of the business and assets
- Fulfilling duties under the TSA to facilitate the movement of funds between the Purchaser and the pre-appointment bank facilities in order to pay wages
- Liaising with Purchaser and solicitors
- To ensure proper management of the administration
- To ensure orderly management and progression of the case in a cost effective manner

- Reconciling funds received from the sale of the business
- Payment of funds to the Purchaser received from customers in error
- Fulfilling other duties under the sale agreement relating to deferred consideration security and overseas subsidiaries

Tax and VAT

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Carrying out tax review and subsequent enquiries. • Preparing initial drafts of administration tax computations and general communications with HMRC. • Gathering information for the initial VAT review and advising on pre appointment VAT returns. • Preparing and completing the first and subsequent post-appointment VAT return • General communications with HMRC. | <ul style="list-style-type: none"> • To meet the statutory duties of the Administrators. | <ul style="list-style-type: none"> • 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

- | | |
|--|---|
| <ul style="list-style-type: none"> • Dealing with receipts, payments and journals • Carrying out bank reconciliations • Closure of the bank account | <ul style="list-style-type: none"> • Statutory requirements and ensures good stewardship of estate funds |
|--|---|

Property

- | | |
|---|---|
| <ul style="list-style-type: none"> • Review Insurance arrangements and obtain additional insurance if appropriate • Dealing with the licence to occupy granted to the Purchaser • Liaising with landlords and responding to queries • Monitor receipts from the Purchaser and process associated VAT receipt • Set up and process payment run to individual landlords in relation to each obligation under the lease (rent/service charge and insurance) • Liaising & seeking legal advice regarding landlord/property queries • Liaising with Purchaser regarding closure of sites not to be included in extended LTO • Oversight role in relation to the lease surrender/new lease process • Complete a final reconciliation of LTO and pay surplus funds back to the Purchasers | <ul style="list-style-type: none"> • To realise the maximum funds to be distributed to the creditors |
|---|---|

Creditors

- | | |
|---|---|
| <ul style="list-style-type: none"> • Liaising with creditors regarding their unsecured claims and dividend prospects | <ul style="list-style-type: none"> • To ensure creditors are provided with the necessary information |
|---|---|

- Dealing with proofs of debt for dividend purposes
- Preparing correspondence to potential creditors inviting lodgment of proof of debt
- Receiving proofs of debt and maintaining register
- Adjudicating claims, including requesting further information from claimants
- Preparing correspondence to claimant advising outcome of adjudication and advising of intention to declare dividend
- Advertising intention to declare dividend
- Calculating dividend rate and preparing dividend file
- Preparing correspondence to creditors announcing declaration of dividend
- Preparing and paying distribution

Employees and Pensions

- Receiving and following up employee enquiries via telephone, post and email
- Agreement of employees' unsecured claims
- Dealing with general pension scheme issues and the Pension Protection Fund
- Issuing of statutory notices in respect of occupational pension schemes operated by the Group on ceasing to act to the Pension Protection Fund, along with copies to The Pensions Regulator and Trustees as appropriate
- To ensure creditors are provided with the necessary information

Secured Creditors

- Preparing updates to secured creditor
- Responding to Secured Creditors' queries
- Making further distributions in accordance with security entitlements
- To ensure creditors are provided with the necessary information

Statutory and Compliance

- Preparing and issuing periodic progress reports to creditors and the registrar
- Dealing with records in storage and destruction in line with policy
- Filing of documents and dealing with books and records
- 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

- Holding internal meetings to discuss the ongoing progress of the case
- Review of time costs against fees estimate
- 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

- Preparation of tax computations
- Liaising with HMRC and obtaining tax clearance
- Continued VAT submissions to recover VAT receivable.
- To comply with statutory requirements

Disbursements

We don't need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves our fees.

Our expenses policy allows for all properly incurred expenses to be recharged to the administration but has not yet been approved by the Secured Creditors where required.

The following disbursements arose in the period of this report.

Plc

Category	Policy	Costs incurred (£)
1	Travel	1,878.67
1	Postage	242.45
1	Insurance	225.00
1	Other	249.00
Total		2,594.00

Security

Category	Policy	Costs incurred (£)
1	Travel	5.58
1	Insurance	225.00
Total		230.58

Cleaning

Category	Policy	Costs incurred (£)
1	Travel	2.79
1	Insurance	225.00
Total		227.79

People

Category	Policy	Costs incurred (£)
1	Postage	2.48
1	Insurance	225.00
Total		227.48

PMP

Category	Policy	Costs incurred (£)
1	Travel	1,488.83
1	Postage	2,869.13
1	Insurance	225.00
Total		4,582.96

Staffgroup

Category	Policy	Costs incurred (£)
1	Travel	18.79
1	Postage	7.42
1	Insurance	225.00
Total		251.21

Premiere

Category	Policy	Costs incurred (£)
1	Insurance	225.00
Total		225.00

Sugarman

Category	Policy	Costs incurred (£)
1	Insurance	225.00
1	Postage	4.95
Total		229.95

Technical

Category	Policy	Costs incurred (£)
1	Postage	4.57
1	Bonding insurance	225.00
Total		229.57

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.

Payments to associates

We have not made any payments to associates during the period covered by this report..

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 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.	Eversheds Sutherland (International) LLP	Insolvency expertise	Time costs and disbursements
Legal advice including preparation and filing of appointment documentation England.	Gateleys Plc	Insolvency expertise	Time costs and disbursements
Legal advice including preparation and filing of appointment documentation in Scotland and providing validity of appointment advice.	Burness Paull LLP	Insolvency expertise	Time costs and disbursements

We require all third party professionals to submit time costs analyses and narrative in support of invoices rendered. We undertake the following steps to review professional firms' costs:

- review amounts charged against the description of work undertaken and the circumstances of the case;
- seek further breakdown of costs and detail of work undertaken where necessary;
- comparisons with upfront budgets;
- review of disbursements claimed; and
- ongoing dialogues with regards to the work being performed.

We are satisfied that the amounts incurred to date are reasonable in the circumstances of the case.

Appendix D: Pre-administration costs

The table below provides details of costs which were incurred before our appointment as Administrators but with a view to the Companies entering administration. Details of the work done and expenses incurred follow.

	Paid amount (£)	Payment made by	Unpaid amount (£)
Our fees as Administrators-in-waiting	276,197.00	Plc prior to appointment	215,672
Expenses incurred by us as Administrators-in-waiting	3,408.95	Plc prior to appointment	50
- Eversheds Sutherland	-	N/A	306,195
- Gateleys Plc	-	N/A	16,053
- Burness Paull	-	N/A	4,319
- Lambert Smith Hampton Ltd	13,350.00	Plc prior to appointment	-
- Intralinks	5,056.87	Plc prior to appointment	-
Total	298,012.82		542,289

We don't think that any fees or expenses have been incurred by any other person qualified to act as an insolvency practitioner. We set out below a split of the above costs by individual entity:

	Plc (£)	PMP (£)	Security (£)	People (£)	Technical (£)	Cleaning (£)	Premiere (£)	Staffgroup (£)	Sugarman (£)	Total (£)
Admin in waiting - fees	21,567	42,056	35,586	47,448	8,627	24,443	13,659	8,627	13,659	215,672
Admin in waiting - expenses	5	10	8	11	2	6	3	2	3	50
Eversheds Sutherland- fees	29,597	57,714	48,835	65,113	7,520	33,543	18,745	11,839	18,745	291,651
Eversheds Sutherland - expenses*	2,562	-	-	-	-	-	-	10,363	1,618	14,544
Gateleys - fees	2,000	2,000	2,000	2,000	-	2,000	2,000	2,000	2,000	16,000
Gateleys - expenses*	53	-	-	-	-	-	-	-	-	53
Burness Paull	-	-	-	-	4,319	-	-	-	-	4,319
	55,784	101,780	86,429	114,572	20,468	59,992	34,407	32,831	36,026	542,289

*These expenses were not included in Appendix B of our Proposals as they came to light after our Proposals were made available to creditors. We intend to seek the approval for these expenses to be treated as an expense of the administrations.

Details of agreements

Our work as Administrators-in-waiting was performed under an agreement dated 20 February 2020 between PwC and Cordant Group Plc, specifically to undertake provision of general insolvency advice and assistance with the sale of the Group, and an agreement dated 13 February 2020 between PwC, Cordant Group Plc and the Lenders to undertake contingency planning for the worst case scenario in the event that a sale of the whole group is not achieved.

Legal costs were incurred under the following agreements:

- Agreement between Eversheds Sutherland (International) LLP and PwC to provide legal services in connection with the preparation of the Sale and Purchase agreements for each of the Companies.
- Agreement between Gateleys Plc and PwC to provide legal assistance in the preparation of appointment documents due to be filed in the High Court of Justice.
- Agreement dated 19 February 2020 between Burness Paull LLP and Cordant Technical Limited to provide legal assistance in the preparation of appointment documents due to be filed in the Court of Session, Edinburgh.

Asset valuation services were incurred under an agreement dated 25 February 2020 between Lambert Smith Hampton and Cordant Group Plc.

Intralinks were instructed by the Cordant Group Plc on 23 October 2019 and provided services such as data room access to interested parties to share confidential information prior to the sale.

Details of the pre-administration work undertaken

We set out below an analysis of the work undertaken by the Administrators-in-waiting by grade and work type. The Insolvency Planning work includes negotiating the sale with the successful bidder, dealing with SPA documentation and lawyers and undertaking pre-administration steps, including preparing appointment documentation. The Contingency planning worktype includes work on a separation strategy for realising the Companies' assets if the deal for the Group as a whole fell away.

	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Total hours	£	Average hourly rate £
Insolvency planning	58.25	86.55	50.70	108.95	148.10	12.10	464.65	125,384	270
Contingency planning	3.10	55.65	89.50	56.80	202.25	0.00	407.30	90,287	222
	61.35	142.20	140.20	165.75	350.35	12.10	871.95	215,671	247

The pre-administration work undertaken by PwC and our legal advisors includes the following:

- Preparing and negotiating sale documents including eight business purchase agreements (including licences to occupy in respect of the 63 properties), three share purchase agreements, a transitional services agreement, and other associated documents for the sales of the businesses and assets upon the appointment of Administrators;
- Preparing security release documentation in relation to the existing lenders, and new security documentation in respect of the deferred consideration;
- Preparation and filing of appointment documentation in both England and Scotland;
- Planning the administration strategy including preparing a detailed plan to be implemented in the event the whole group sale fell away;
- Consideration of the key practical issues to be addressed upon entering administration including the preparation of communications to key stakeholders and creditors;
- Preparation of SIP16 report, the Administrators' proposals and other initial creditors communications; and
- Internal procedures in preparation for accepting the appointment.

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)

CR-2020-001299
CR-2020-001298
CR-2020-001304
CR-2020-001301
CR-2020-001300
CR-2020-001302
CR-2020-001306
CR-2020-001303

In the Court of Session, Edinburgh
PI55/20

Company's registered name: Cordant Group Plc
Security Realisations Limited (formerly Cordant Security Limited)
C.L.C Realisations Limited (formerly Cordant Cleaning Limited)
PTR Realisations Limited (formerly Cordant People Limited)
PRL Realisations 1 Limited (formerly PMP Recruitment Limited)
SFG Realisations Limited (formerly Staffgroup Limited)
PEG 1 Realisations Limited (formerly Premiere Employment Group Limited)
SGHW Realisations Limited (formerly Sugarman Health & Wellbeing Limited)
Cordant Technical Limited

Trading name: Cordant Group

Registered number: Cordant Group Plc - 03385619
Security Realisations Limited - 03153231
C.L.C Realisations Limited - 01569634
PTR Realisations Limited - 02636670
PRL Realisations 1 Limited - 03485614
SFG Realisations Limited - 07817905
PEG 1 Realisations Limited - 04963501
SGHW Realisations Limited - 02958051
Cordant Technical Limited - SC22 2281

Registered address of the Companies: 8th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL

Please note the registered address for Cordant Technical is:
100e Cumbernauld Road, Muirhead, Glasgow, Strathclyde, G69 9AB

Date of the Joint Administrators' appointment: 02 March 2020

Joint Administrators' names, addresses and contact details: Rachael Maria Wilkinson PricewaterhouseCoopers LLP, 3 Forbury Place, 23 Forbury Road, Reading RG1 3JH
Zelf Hussain, PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT

David Robert Baxendale, PricewaterhouseCoopers LLP, 7 More London
Riverside, London, SE1 2RT
