

Joint Administrators' combined third and final progress reports

From 2 March 2021 to 1 September 2021
and 2 September 2021 to 1 October 2021

PEG 1 Realisations Limited (formerly Premiere Employment Group Limited)

SFG Realisations Limited (formerly Staffgroup Limited)

SGHW Realisations Limited (formerly Sugarman Health & Wellbeing Limited)

(all in administration)

1 October 2021

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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 (each a Company)	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 ”) - all 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	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 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
SPA	The interlocking agreements for the sale and purchase of the businesses and assets of the Companies dated 2 March 2020 and made between the Companies and the Purchasers
Unsecured Creditors	Creditors who are neither secured nor preferential
Wider Companies	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”) 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”) Cordant Technical Limited (“Technical”) - all in administration

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 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.

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

Rachael Maria Wilkinson, Zelf Hussain and David Robert Baxendale were appointed as Joint Administrators of the Companies on 2 March 2020 to manage their 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

I'm pleased to let you know that our work on the administration of the Companies is now complete and so, I set out below our final report.

The entities in the Wider Companies that are not covered by this report will remain in administration after 1 October 2021. A separate report providing an update on the administrations of those companies is available on our website along with our earlier reports at www.pwc.co.uk/cordantgroup. Please email uk_cordantgroupcreditors@pwc.com if you need any of the passwords to access the reports.

How much creditors have received

The following table summarises the final outcome for creditors.

Class of creditor	Paid (p in £)	Previous estimate (p in £)
Secured Creditors:		
RBSIF		
Barclays	100	100
ABN		
ABN (EURO Staffgroup Limited Facility)	100	100
Centrovalli	2.97*	10 - 12
Preferential Creditors	Not applicable	Not applicable
Unsecured Creditors of:		
Premiere	Nil	Nil
Staffgroup	Nil	Nil
Sugarman	Nil	Nil

*Further distributions are still to be made from other of the Wider Companies

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. From the Companies in which this report covers, a total of £177k as shown below has been repaid to Centrovalli representing 2.98% of their debt.

Distributed from:	Fixed charge (£)	Floating charge (£)
Premiere	848.46	Nil
Staffgroup	165,526.99	Nil
Sugarman	10,987.81	Nil

We expect there to still be distributions to Centrovalli from the remaining insolvent estates within the Wider Companies and further information will be published on our website in respect of this.

All employees were transferred to the Purchaser under TUPE and consequently there were no preferential creditor claims.

Unfortunately, there were insufficient asset realisations for there to be a distribution to Unsecured Creditors.

What you need to do

This report is for your information and you don't need to do anything.

What happens next

On 1 October 2021 we filed notices of move from administration to dissolution. The Companies will be dissolved three months after the notice has been registered by the Registrar of Companies.

The exit route was considered the most appropriate in the circumstances, as the purpose of the administration has been achieved and there are no assets left to realise.

We ceased to act on 1 October 2021. As resolved by the Secured Creditors, we will be discharged from liability in respect of any of our actions as Joint Administrators 14 days after this report is filed by the Registrar of Companies.

Overview of our work

Why we were appointed

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. The Group had operations mainly in the UK including their head office in London, but operations also in France, Germany and Australia.

The Group utilised a receivables finance facility made available by the Lenders. This facility was 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.

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

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.

Both the Group Facility and the Staffgroup Facility were due to expire on 1 August 2019. 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.

During 2019, the Group were unsuccessful in their attempts to refinance the Group and the Lenders granted a number of extensions up 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 Group instructed Deloitte to seek a buyer for the trading businesses of the Group on an accelerated 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. 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.

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 Joint Administrators of the Companies.

Pre-packaged sale of the business and assets

The Joint Administrators decided that the strategy which would provide the optimum outcome for the Companies creditors as a whole was for the Companies to enter an administration process and undertake a pre-packaged sale of their businesses and assets to one of the parties identified through the sale process..

This was on the basis that:

- The offers for the businesses and certain assets of the Wider Companies, which maximised returns to creditors were made on the basis of the transaction being executed via a pre-packaged administration
- We assessed the likely returns in the event that the Group was broken up and consider the value achieved for all transactions exceeds the break up value of the 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 resulted in the transfer of c.45,000 employees thereby mitigating Preferential Creditor claims.
- Continuing to trade the businesses outside an insolvency process and the Wider Companies seeking to effect a successful turnaround, would not have been possible as the Group's facilities had already been restricted and the invoice discounting facility would not be available after 28 February 2020.

Immediately upon our appointment on 2 March 2020, we secured the sale of the majority of the business and assets of the Companies as a going concern to a series of entities controlled by Twenty20 Capital Holdings Limited.

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, 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

Business Rates Refunds

During the periods covered by this report, we received funds from local authorities in respect of business rates overpayments. The breakdown of the receipts is as follows:

- £2,968 for Premiere
- £1,036 for Sugarman

Property

Premiere and Sugarman held six and five leasehold properties respectively. The Purchasers continued to occupy these properties under LTOs, with the applicable rent paid to landlords for the relevant periods of occupation. All leases have now been either assigned to the Purchaser(s) or an offer of surrender of the lease has been made to the landlord. We ensured insurance cover was in place for property sites where appropriate. No further work is required in respect of the properties.

Employees

All matters raised by former employees of the Companies during the period of the administration have now been dealt with. As you will recall from our previous report, we received a high volume of correspondence in writing, by post and email from former employees and we have assisted where possible to provide them with the required information or directed them to alternative resources.

Statutory and compliance

During the periods covered by this report, we prepared and distributed our second progress report for the period 2 September 2020 to 1 March 2021.

We have also filed our final corporation tax returns and requested tax clearance from HMRC, finalised the VAT position of the Companies. Prior to our appointment, Premiere had an Irish branch and therefore we sought specialist advice regarding the requirements under Irish tax and fulfilled these obligations as tax officers of the Company.

Approval of our proposals

We previously issued to creditors our proposals for achieving the purpose of administrations, the document was 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.

Tax clearance

We fulfilled our duties as proper officers for tax during the administration and filed corporation tax returns for all relevant accounting periods. We have requested tax clearance, which has yet to be received, but to date, we have not received any objection from HMRC to the administrations ending.

Our final receipts and payments account

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

Our expenses

We set out in Appendix C a statement of the final expenses that we incurred to the date covered by this report.

Our fees

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

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 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/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>

If you would like a free copy or have any questions regarding this report, please get in touch with Syed Shah on 0113 289 4314.

Yours faithfully
For and on behalf of the Companies



Rachael Maria Wilkinson
Joint Administrator

Appendices

Appendix A: Summary of the proposals

The Administrators pursued objective (b) which is achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

The Administrators made the following proposals for achieving the purpose of administration;

Immediately following our appointment, we completed a sale of the business and assets of the Companies. As part of the pre-packaged sale, all employees were transferred to the Purchaser under TUPE resulting in a mitigation of preferential claims and unsecured claims against the Companies.

The cost of managing the Company's affairs and conducting the administration (including our remuneration) will be financed by the asset realisations of the Company. This is primarily from the sale of the business and assets but will also include any other assets we deem as assets of the Companies.

In the case of Premiere and Sugarman, a licence to occupy was granted to the Purchaser in respect of the leasehold UK properties. We will be collecting advance licence fees from the Purchasers and applying these in making monthly rent payments to various landlords until either the licence period of six months expires or then the Purchaser no longer requires each licence.

The Administrators will fulfil their duties to investigate the conduct of the Company's directors and report to the Department for Business, Energy and Industrial Strategy. The Administrators will investigate any claims that the Company may have against any party and, where in the best interest of creditors, take steps to pursue such claims.

In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations.

The Administrators will use the net asset realisations to make distributions to the Secured creditors and, in the event we identify any, Preferential creditors.

As it is expected that as there will be no dividend to unsecured creditors of the Company, once our work as Administrators is finished, we'll file a notice with the Registrar of Companies and the Company will be dissolved three months later. If we think there are matters that should be conducted in a liquidation rather than in administration, we may instead apply for a court order ending the administration and for it to be wound up.

If enough creditors wish to do so, a committee could be formed to agree the Administrators remuneration and discharge on their duties. An election of a creditor committee was not sought mainly because the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors. Therefore, it will be for the Secured and if applicable, the Preferential creditors to agree.

Appendix B: Receipts and payments

Receipts and Payments Account	Premiere				Total
	SOA	2 March 2020 to 1 March 2021	2 March 2021 to 1 September 2021	2 September 2021 to 1 October 2021	
		£	£	£	£
Assets subject to fixed charges					
Fixed charge realisations					
Debtors		3,441,092.16	-	-	3,441,092.16
Site Equipment		-	-	-	-
Computer Equipment	30,000.00	-	-	-	-
Motor Vehicles		-	-	-	-
Investments		-	-	-	-
Total Fixed charge realisations	30,000.00	3,441,092.16	-	-	3,441,092.16
Fixed charge payments					
Pre-appointment Administrators' fees		(13,659.00)	-	-	(13,659.00)
Pre-appointment Administrators' disbursements		(3.00)	-	-	(3.00)
Pre-appointment legal fees		(20,745.00)	-	-	(20,745.00)
Administrators' fees		(75,000.00)	(14,908.00)	(48,483.16)	(138,391.16)
Property agents fees		-	-	(445.21)	(445.21)
Total Fixed charge payments		(109,407.00)	(14,908.00)	(48,928.37)	(173,243.37)
Distribution under fixed charge		(3,267,000.33)	-	(848.46)	(3,267,848.79)
Net Fixed Charge Realisations		64,684.83	(14,908.00)	(49,776.83)	-
Assets subject to floating charges					
Floating charge realisations					
Trade Debtors	3,079,500.00	-	-	-	-
Fixtures & Fittings, Plant and machinery		16,000.00	-	-	16,000.00
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	-	-	0.01
Rates refunds		-	2,968.07	-	2,968.07
Third party funds		4,432.50	-	(4,432.50)	-
Total floating charge asset realisations	3,079,500.00	20,440.51	2,968.07	(4,432.50)	18,976.08
Floating charge payments					
Bank charges		(30.00)	-	-	(30.00)
Professional fees		(1,388.89)	-	(2,025.00)	(3,413.89)
Irrecoverable VAT		-	(3.66)	-	(3.66)
Legal fees		-	(677.50)	(586.00)	(1,263.50)
Administrators' fees		-	-	(12,949.84)	(12,949.84)
Administrators' disbursements		-	-	(491.83)	(491.83)
Insurance		-	-	(823.36)	(823.36)
Total floating charge payments		(1,418.89)	(681.16)	(16,876.03)	(18,976.08)
Net funds held under LTO		13,610.92	(13,610.92)	-	-
VAT Control account		(15,669.72)	11,508.62	4,161.10	-
Distribution under floating charge		-	-	-	-
Total cash at bank		81,647.65	(14,723.39)	(66,924.26)	-

Receipts and Payments Account	Staffgroup			
	SOA	2 March 2020 to 1 March 2021	2 March 2021 to 1 September 2021	2 September 2021 to 1 October 2021
	£	£	£	£
Assets subject to fixed charges				
Fixed charge realisations				
Investments	5,489,340.82	-	-	5,489,340.82
Total Fixed charge realisations	-	5,489,340.82	-	5,489,340.82
Fixed charge payments				
Pre-appointment Administrators' fees	(8,627.00)	-	-	(8,627.00)
Pre-appointment Administrators' disbursements	(2.00)	-	-	(2.00)
Pre-appointment legal fees	(24,202.05)	-	-	(24,202.05)
Administrators' fees	(75,000.00)	(16,373.00)	-	(91,373.00)
Administrators' disbursements	-	-	(258.29)	(258.29)
Professional fees	(1,388.89)	(432.51)	-	(1,821.40)
Legal fees	(1,078.98)	(8,127.00)	(586.00)	(9,791.98)
PwC Germany fees	-	(17,871.15)	-	(17,871.15)
PwC Netherlands fees	-	-	(4,814.37)	(4,814.37)
Bank charges	(30.00)	(15.00)	-	(45.00)
Total Fixed charge payments		(110,328.92)	(42,818.66)	(158,806.24)
Distribution under fixed charge		(5,165,007.59)	-	(165,526.99)
Net Fixed Charge Realisations		214,004.31	(42,818.66)	(171,185.65)
Assets subject to floating charges				
Floating charge realisations				
Total floating charge asset realisations	-	-	-	-
Floating charge payments				
Total floating charge payments		-	-	-
VAT Control account	(19,987.18)	16,512.58	3,474.60	-
Total cash at bank		194,017.13	(26,306.08)	(167,711.05)

Receipts and Payments Account	Sugarman				
	SOA	2 March 2020 to 1 March 2021	2 March 2021 to 1 September 2021	2 September 2021 to 1 October 2021	Total
		£	£	£	£
Assets subject to fixed charges					
Fixed charge realisations					
Debtors		1,269,708.95	-	-	1,269,708.95
Computer Equipment	25,000.00	-	-	-	-
Total Fixed charge realisations	25,000.00	1,269,708.95	-	-	1,269,708.95
Fixed charge payments					
Pre-appointment Administrators' fees		(13,659.00)	-	-	(13,659.00)
Pre-appointment Administrators' disbursements		(3.00)	-	-	(3.00)
Pre-appointment legal fees		(22,363.57)	-	-	(22,363.57)
Administrators' fees		(100,000.00)	(3,237.00)	(26,322.93)	(129,559.93)
Administrators' disbursements		-	-	(308.70)	(308.70)
Property agents fees		-	-	(143.38)	(143.38)
Total Fixed charge payments		(136,025.57)	(3,237.00)	(26,775.01)	(166,037.58)
Distribution under fixed charge		(1,092,683.56)	-	(10,987.81)	(1,103,671.37)
Net Fixed Charge Realisations		40,999.82	(3,237.00)	(37,762.82)	-
Assets subject to floating charges					
Floating charge realisations					
Trade Debtors	1,595,900.00	-	-	-	-
Fixtures & Fittings, Plant and machinery		13,000.00	-	-	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
Rates refunds		285.75	1,036.33	1,650.08	2,972.16
Third party funds		610.88	-	-	610.88
Total floating charge asset realisations	1,595,900.00	13,904.63	1,036.33	1,650.08	16,591.04
Floating charge payments					
Bank charges		(30.00)	-	-	(30.00)
Professional fees		(1,388.89)	-	-	(1,388.89)
Legal fees		(7,214.00)	(256.00)	(660.00)	(8,130.00)
Irrecoverable VAT		-	(273.00)	273.00	-
Administrators' fees		-	-	(6,781.07)	(6,781.07)
Insurance		-	-	(261.08)	(261.08)
Total floating charge payments		(8,632.89)	(529.00)	(7,429.15)	(16,591.04)
Net funds held under LTO		4,765.98	-	(4,765.98)	-
VAT Control account		(32,197.22)	(425.60)	32,622.82	-
Distribution under floating charge		-	-	-	-
Total cash at bank		18,840.32	(3,155.27)	(15,685.05)	-

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

There were insufficient floating charge funds to meet the costs of the administration, so the shortfall was taken from the fixed charge funds with the consent of the Secured creditors

Appendix C: 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: Category 1 and Category 2.

Expense	SIP9 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 associates or which have an element of shared costs.

We don't need approval from creditors to pay Category 1 expenses or disbursements 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 also have responsibility for agreeing the policies or basis for the payment of Category 2 expenses. In the case of Staffgroup, we incurred costs by PwC Germany and PwC Netherlands which required Category 2 approval. We obtained approval for their expenses from the Secured Creditors on 27 April 2021. The expenses were as follows;

PwC Germany - £17,871.15
PwC Netherlands - £5,072.66

In the case of Premiere and Sugarman, the only Category 2 expenses are photocopying and mileage incurred in PwC company cars. Our expenses policy which has been approved by the Secured Creditors for recovering these costs is as follows:

Photocopying	At 20 pence per side copied, only charged for circulars to creditors and other bulk copying.
Mileage	At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc).

The following tables 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:

Premiere

Period	Category	Policy	Costs incurred (£)
To 1 September 2021	1	Postage	6.40
To 1 October 2021	-	No disbursements incurred	-
Brought forward as at 1 March 2021			491.86
Total disbursements to 1 October 2021			498.26

Staffgroup

Period	Category	Policy	Costs incurred (£)
To 1 September 2021	-	No disbursements incurred	-
To 1 October 2021	-	No disbursements incurred	-
Brought forward as at 1 March 2021			258.29
Total disbursements to 1 October 2021			258.29

Sugarman

Period	Category	Policy	Costs incurred (£)
To 1 September 2021	2	Mileage	5.71
To 1 October 2021	-	No disbursements incurred	0.00
Brought forward as at 1 March 2021			302.99
Total disbursements to 1 October 2021			308.70

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

Premiere	Brought forward (£)	Incurred up to 1 September 2021 (£)	Incurred up to 1 October 2021 (£)	Cumulative expenses (£)	Original estimate (£)	Variance (£)
Pre-administration costs	34,407	-	-	34,407	34,407	-
Legal fees and expenses*	-	1,264	-	1,264	2,866	(1,603)
Professional fees	1,389	2,025	-	3,414	1,389	2,025
Insurance	466	358	-	823	224	242
Bank charges	30	-	-	30	50	(20)
Administrators' fees	75,000	14,908	61,433	151,341	151,341	-
Administrators' disbursements	492	-	-	492	725	(233)
Irrecoverable VAT	-	4	-	4	-	4
Total	111,783	18,558	61,433	191,774	191,002	415
Staffgroup	Brought forward (£)	Incurred up to 1 September 2021 (£)	Incurred up to 1 October 2021 (£)	Cumulative expenses (£)	Original estimate (£)	Variance (£)
Pre-administration costs	32,831	-	-	32,831	32,831	-
Legal fees and expenses*	1,079	8,713	-	9,792	91,774	(81,982)
Professional fees	1,389	433	-	1,821	1,389	433
PwC Europe fees requiring approval**	22,686	-	-	22,686	-	22,686
Bank charges	30	15	-	45	25	20
Administrators' fees	75,000	16,373	-	91,373	91,373	-
Administrators' disbursements	258	-	-	258	501	(243)
Irrecoverable VAT***	-	-	-	-	30,117	(30,117)
Total	133,273	25,534	-	158,806	248,010	(89,204)
Sugarman	Brought forward (£)	Incurred up to 1 September 2021 (£)	Incurred up to 1 October 2021 (£)	Cumulative expenses (£)	Original estimate (£)	Variance (£)
Pre-administration costs	36,026	-	-	36,026	36,026	-
Legal fees and expenses*	7,214	916	-	8,130	16,485	(8,355)
Professional fees	1,389	-	-	1,389	1,389	-
Insurance	291	(30)	-	261	101	160
Bank charges	30	-	-	30	50	(20)
Administrators' fees	100,000	3,237	33,104	136,341	136,341	-
Administrators' disbursements	303	6	-	309	730	(421)
Total	145,252	4,129	33,104	182,485	191,121	(8,636)

* Please note that the brought forward legal fees and expenses have been updated to reflect the finalised costs invoices by our lawyers for the period up to 1 March 2021. The below costs were also successfully recharged to the Purchaser during the period and therefore the brought forward legal fees and expenses have been updated to reflect the actual cost to each Company.

Entity	Cost recharged to the Purchaser (£)
Premiere	440.00
Staffgroup	6,446.46
Sugarman	830.00
Total	7,716.46

**We informed creditors in our previous report that we incurred £26,150 from other PwC offices that we sought approval for. The final level of costs that was invoiced was £22,686 and therefore the brought forward costs have been updated.

*** We previously expected to incur £26,734 of irrecoverable VAT due to the VAT status of Staffgroup on our appointment. We were successfully able to recover this and have therefore updated the brought forward figure.

Appendix D: Remuneration update

Our fees were approved on a fixed fee basis by the Secured Creditors. The total fixed fees approved are:

Premiere £151,341
 Staffgroup £91,373
 Sugarman £136,341

We have drawn the approved fees in full in each Company, as shown on the enclosed receipts and payments account. You can view a copy of our remuneration report on our website www.pwc.co.uk/cordantgroup.

We set out in this Appendix details of our work in the period since our last report, disbursements, subcontracted work and payments to associates.

Our work in the period

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		
All Companies: <ul style="list-style-type: none"> Processing receipts, payments and journals Performing bank account reconciliations Ensuring correct interest has been applied and bank fee charged Closure of bank accounts 	<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		
Premiere and Sugarman only: <ul style="list-style-type: none"> Arranging for the return of keys to landlords following the vacation of properties Invoicing the Purchaser monthly under the LTO Regular payment of rent, service charge and insurance for properties occupied by the Purchaser Holding regular calls with the Purchaser to maintain the LTO agreement Extending the LTO to facilitate the assignment of leases to the Purchaser Reconciliation of funds held under LTO Seeking legal advice in relation to property matters Liaising with landlords to agree the surrender of leases 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		
All Companies: <ul style="list-style-type: none"> Corresponding with numerous Unsecured Creditors regarding their claims and the prospects of dividends Corresponding with utility companies regarding the status of the Companies' leasehold property portfolio and outstanding balances due to them Reviewing and preparing correspondence to creditors and their representatives Receiving proofs of debt and maintaining the register Arranging for login details to our online creditor portal, to be posted to creditors and answering follow up queries Investigating and resolving improper summonses or court notices issued by creditors 	<ul style="list-style-type: none"> To ensure valid claims are admitted 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
Employees and Pensions		

- Receiving and following up employee enquiries via telephone, post and email
- Issuing cease to act notices to pension schemes
- 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

All Companies:

- Liaising with the Secured Creditors regarding the strategy for the closure of the case
- Preparing updates for the Secured creditor and seeking necessary approval from them including CAT 2 approval
- Completing a security review and distributing in line with their security
- To distribute funds to the creditors
- To provide creditors with information requested
- Direct benefit through distributions
- To ensure creditors are provided with the necessary information

Statutory and Compliance

All Companies:

- Drafting, reviewing and publishing the second progress report in the administration
- Drafting, reviewing and publishing the final report
- Filing case records in line with internal policy
- Filing of appropriate notices at Companies House including the notice of move to dissolution
- Ensuring appropriate insurance cover remains in place for properties of the Companies
- Dealing effectively with queries from our insurance broker
- Notifying our insurer of any changes in the property portfolio of the Companies
- To meet the statutory duties of the Administrators
- Statutory or regulatory duties of the Administrators

Strategy and Planning

All 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

Sale of business

All Companies:

- Ensuring we fulfil our obligations under the sale agreement
- Holding conversations with our lawyers and the Purchaser on legal fees rechargeable under the SPA and arranging for invoices to be issued to the Purchaser
- Liaising with Newco regarding any residual sale matters that required conclusion prior to closure
- Carrying out contractual obligations under the SPA
- The SPA has led to a better outcome for the creditors as a whole

Tax and VAT

All Companies:

- Holding calls with our specialist tax team regarding post appointment payments and receipts
- Preparation and completion of post-appointment tax computations
- Liaising with HMRC to request tax clearance
- To meet the statutory duties of the Administrators
- Statutory duties of the Administrators
- Mitigation of the tax liability to the estate

- Preparing, reviewing and submitting quarterly VAT returns

Premiere only:

- Instructing Irish tax specialists and reviewing and submitting the tax returns of the Irish branch.

Payments to associates

Staffgroup

As explained in our previous report, we instructed PricewaterhouseCoopers Legal Aktiengesellschaft Rechtsanwaltsgesellschaft ("PwC Germany") and PricewaterhouseCoopers Belastingadviseurs N.V ("PwC Netherlands") to advise in respect of the European subsidiaries of Staffgroup that are currently being liquidated. Staffgroup as the parent companies had certain duties to fulfill to assist in the wider group restructuring process.

The costs incurred by PwC Germany and PwC Netherlands were subject to approval in the same way as Category 2 disbursements and during the period we sought and obtained approval for their expenses from the Secured Creditors. These expenses are shown in our enclosed receipts and payments account.

Sugarman and Premiere

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 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.

Legal and other professional firms

We 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 	Eversheds Sutherland (International) LLP	Insolvency expertise	Time costs and disbursements <i>Actual total cost:</i> <i>Premiere - £1,264</i> <i>Staffgroup - £9,792</i> <i>Sugarman - £8,130</i>
Collection of pre appointment business rates prepayments	CAPA	Industry expertise	Percentage of realisations <i>Actual cost:</i> <i>Premiere - £445</i> <i>Sugarman - £143</i>

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 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-2020-001306 CR-2020-001302 CR-2020-001303
Company's registered name:	PEG 1 Realisations Limited (formerly Premiere Employment Group Limited) SFG Realisations Limited (formerly Staffgroup Limited) SGHW Realisations Limited (formerly Sugarman Health & Wellbeing Limited)
Trading name:	Cordant Group
Registered number:	PEG 1 Realisations Limited - 04963501 SFG Realisations Limited - 07817905 SGHW Realisations Limited - 02958051
Registered address of the Companies:	8th Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL
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
