

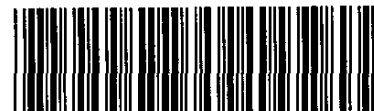
AM03

Notice of administrator's proposals



Companies House

WEDNESDAY



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A02

11/03/2020

#171

COMPANIES HOUSE

1 Company details

Company number 0 4 9 6 3 5 0 1

Company name in full PREMIERE EMPLOYMENT GROUP LIMITED

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Zelf

Surname Hussain

3 Administrator's address

Building name/number 7

Street More London Riverside

Post town London

County/Region England

Postcode S E 1 2 R T

Country England

4 Administrator's name ①

Full forename(s) Rachael Maria

Surname Wilkinson

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number 3 Forbury Place

Street 23 Forbury Road

Post town Reading

County/Region England

Postcode R G 1 3 J H

Country England

② Other administrator

Use this section to tell us about
another administrator.

AM03

Notice of Administrator's Proposals

6 Statement of proposals



I attach a copy of the statement of proposals

7 Sign and date

Administrator's
Signature

Signature

✕



✕

Signature date

^d0^d9

^m0^m3

^y2^y0^y2^y0

AM03

Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Syed Shah
Company name	PricewaterhouseCoopers LLP
Address	
8th floor,	
Central Square,	
29 Wellington Street,	
Post town	Leeds
County/Region	
Postcode	L S 1 4 D L
Country	
DX	
Telephone	0113 289 4314



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



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You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ^①
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) David Robert

Surname Baxendale

3 Insolvency practitioner's address

Building name/number 7

Street More London Riverside

Post town London

County/Region England

Postcode S E 1 2 R T

Country England

Cordant Group Plc
Cordant Security Limited
Cordant Cleaning Limited
Cordant People Ltd
PMP Recruitment Limited
Staffgroup Limited
Premiere Employment Group Ltd
Sugarman Health and Wellbeing Ltd
Cordant Technical Limited

– all in administration

**Joint administrators' proposals for achieving the purpose
of administration**

Date 9 March 2020

Anticipated to be delivered on 9 March 2020

In accordance with paragraph 49 of Schedule B1 of the
Insolvency Act 1986 and rule 3.35 of the Insolvency (England and
Wales) Rules 2016 and the Insolvency (Scotland) (Company
Voluntary Arrangements and Administration) Rules 2018

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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/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	Cordant Group Plc ("Plc") Cordant Security Limited Cordant Cleaning Limited Cordant People Ltd PMP Recruitment Limited Staffgroup Limited Premiere Employment Group Ltd Sugarman Health and Wellbeing Ltd Cordant Technical Limited - all in administration
CVL	Creditors' voluntary liquidation
Deloitte	Deloitte LLP
Demica	Demica Limited
FRP	FRP Advisory LLP
Group	Cordant Group Plc and its subsidiaries (See group structure)
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)(CVA&A)2018	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.

LSH	Lambert Smith Hampton, valuation agents to the administrators
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)
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
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 on the administration, 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 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.

Why we've prepared this document

On 2 March 2020 the Companies went into administration and Zelf Hussain, David Baxendale and I were appointed as joint administrators.

We tell you in this document why the Companies were put into administration. We give you a brief history and set out our proposals for achieving the purpose of administration. We include details of the Companies' assets and liabilities, and say how likely we are to be able to pay each class of creditor.

According to IA86, the purpose of an administration is to achieve one of these objectives:

- (a) rescuing the Company as a going concern, or if that is not possible or if (b) would achieve a better result for the creditors than (a)
- (b) 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), or finally, if that is not possible
- (c) realising the Company's assets to pay a dividend to secured or preferential creditors

In this case, for each of the Companies we're following objective (b), as it was not reasonably practical to rescue any of the Companies as a going concern.

Our job is to manage the Companies until creditors agree our proposals for achieving the purpose of administration and we've implemented them so far as possible. After that the administration will end.

The whole of this document and its appendices form our statement of proposals for achieving the purpose of administration.

We're not seeking a decision from the creditors to approve our proposals because we think that none of the Companies have enough assets to pay a dividend to their unsecured creditors other than from the prescribed part.

So, our proposals will be treated as approved unless enough creditors ask us to seek a decision to approve them. This would happen, for each of the Companies, if at least 10% in value of the total creditors ask us to do so (in line with rules 15.18 IR16/ R5.17 (IR(S)(CVA&A)2018) within eight business days of the date we deliver the proposals to you.

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

Signed 

Rachael Wilkinson
Joint Administrator of the Companies

At a glance

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.

Estimated outcome for creditors

The following is a brief summary of the possible outcome for creditors based on what we know so far. You shouldn't use it as the main basis of any bad debt provision or debt trading. Please read the rest of this document for further details.

Class of creditor	Estimated amount owed	% Recovery	Forecast timing
Secured creditors:			
RBSIF Barclays ABN	£40,293,517	100	March 2020
ABN (EURO Staffgroup Limited Facility)	€3,172,732	100	Paid
Centrovalli	£6,031,143	Uncertain	9 -12 months
Preferential creditors	£nil	Nil	Not applicable
Unsecured creditors of:			
Cordant Group Plc	£14,737,195	Nil	Not applicable
Cordant Security Limited	£12,345,315	Nil	Not applicable
Cordant Cleaning Limited	£8,688,079	<0.5%	9 - 12 months
Cordant People Ltd	£6,581,124	Nil	Not applicable
PMP Recruitment Limited	£43,753,210	Nil	Not applicable
Staffgroup Limited	£60,246	Nil	Not applicable
Premiere Employment Group Ltd	£7,584,023	Nil	Not applicable
Sugarman Health and Wellbeing Ltd	£834,337	Nil	Not applicable
Cordant Technical Limited	£134,175	10 - 20%	9 - 12 months

Actions required by you

Due to the anticipated outcome for creditors (shown above), it is not necessary for us to seek a decision of creditors to approve these proposals. Instead, they will be deemed approved unless sufficient creditors say otherwise, in the matter described earlier.

Brief history of the Companies and why they are in administration

Background

The Group is 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 are mainly in the UK, with some operations in France, Germany and Australia. Its head office is in London, with a network of divisional head offices across the UK.

Plc has 20 trading subsidiaries (direct and indirect) and operates under various brand names including Cordant, Staffgroup and Sugarman. The Group utilised a £80m (previously £110m) multi-currency receivables finance facility made available by RBSIF, Barclays and ABN (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 provides a £5m term loan facility to Plc and this facility is secured by fixed and floating charges and guarantees granted by various Group companies.

The circumstances leading to our appointment

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.

Group discussions about a full refinance of the Group Facility had been ongoing since April 2016 with the Lenders, 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, which we summarise below. A more detailed chronology of the actions undertaken by the Group is provided in our report to creditors on the pre-packaged sale of the businesses and assets (Appendix C).

- From January to June 2019, the Group tried to refinance with the help of FRP, but was unsuccessful in securing any interest from traditional invoice discounting providers who would be able to replace the current facilities with like for like facilities.
- Alongside this, the Group engaged Demica, an independent provider of technology based financial solutions, to provide a securitisation platform into which institutional lenders would provide funding. In May 2019 the Group received an offer from the Prospective Lender to provide funds through the securitisation platform. From May to August 2019, the Group provided large amounts of information required to set up the securitisation platform and the Prospective Lender undertook due diligence. The initial start date for the securitisation platform was the end of July 2019. This would have allowed the Group Facility to be repaid by the Termination Date, together with the required funding to be in place for the audit sign off. This was subsequently delayed to early September 2019.
- On 27 June 2019, the Group made a formal request to the Lenders to roll forward the existing facilities for 12 months, but the Lenders granted only a two month extension to allow for completion of the securitisation process. A further request was made on 2 August 2019 for a 12 month facility.
- On 8 August 2019, the Prospective Lender withdrew its offer. Further requests to roll forward the existing facilities for 12 months were made to the Lenders on 29 August 2019 and 3 October 2019.
- 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.
- In October 2019, the Group started a further refinance exercise to establish at what discount to the existing lending the facilities could be refinanced (i.e. at less than the amount outstanding). The Lenders had indicated they may be willing to accept repayment at a discount. Although offers were received on this basis, they were at

- a discount larger than the Lenders were prepared to accept and based on unacceptable timescales
- 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-administration costs

PwC's initial role was to assist the Companies in project managing the refinance process and its communications strategy with its Lenders. PwC's pre-appointment work is described in more detail in Appendix C. When it became clear that insolvency of the Company was inevitable, PwC additionally worked with the Company's directors and their legal advisers in preparing for administration.

Pre-administration costs are costs incurred with a view to a company entering administration and therefore do not necessarily include all costs incurred in the period prior to the administration. Our work included negotiating the SPA with the Purchasers and our lawyers and advisers, as well as contingency planning for insolvency options which included the sale of the Group's business as a whole falling away. We think that PwC's role in preparing and planning for our appointment makes a significant contribution to achieving the purpose of the administration because it was a fundamental requirement in order to complete the sale of the businesses and assets.

Our pre-administration costs which exceeded those which were invoiced to and paid for by the Group are summarised at Appendix B, together with further information regarding the work undertaken.

The payment of unpaid pre-administration costs as expenses of the administrations is subject to separate approvals under the insolvency legislation and doesn't form part of our proposals. If you elect a creditors' committee, it will be up to the committee to give this approval.

But if there's no committee, then because we've said we think the Company doesn't have enough assets to pay anything to unsecured creditors other than via the prescribed part, it will be for the secured creditors to do so instead.

To the best of our knowledge and belief, no fees or expenses were charged by any other insolvency practitioner

What we've done so far and what's next if our proposals are approved

Management and financing of the Company's affairs and business

Sale of the 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 EUR3,172,732. As required by SIP16 and SIP13, a detailed narrative explanation and justification of why the pre-packaged sale was undertaken and the alternatives considered can be found at Appendix C. In summary, we think the pre-pack sale achieved the best outcome for creditors as a whole because

- The offers which maximised returns to creditors were made on the basis of the transaction being executed via a *pre-packaged administration*;
- the nature of the Companies' businesses means that in an insolvency 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 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 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 detailed further in Appendix C, the marketing exercise undertaken by Deloitte on behalf of the Group obtained five indicative offers for the Group's businesses as going concerns but only one of these was able to proceed to completion in the available time. The alternative offers were for only parts of the Group, which would have meant that certain of the Companies would have had to have been wound up with their assets disposed of piecemeal. This would have produced a worse outcome for the Companies' creditors as a whole.

Employees

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 has safeguarded further jobs across the Group. As a result, we think there will be no or minimal preferential claims against any of the Companies. However, we will continue to liaise with the Purchasers as queries or claims arise from the companies' former employees.

Debts

The principal asset of the trading companies was their trade book debts. With the exception of Cordant Technical Limited, these were all assigned to the Lenders under confidential invoice discounting arrangements. As noted above, an exercise undertaken to find funders to replace the invoice discounting facilities on a like for like basis had been unsuccessful unless a significant discount was applied to the amount due to the Lenders. From this it is apparent that the invoice discounting market's assessment of the collectability of the book debts in an insolvency situation was less than the liabilities that were currently being secured by these book debts.

Although the Group had a huge number of customers, the top 23 customers accounted for some 65% of turnover. Furthermore, the majority of contracts with large customers contained clauses which would allow customers to set off

additional costs incurred in the event that the Companies failed to honour their obligations under the contract. We considered that in the event that the Companies were unable to provide customers with their ongoing requirements for facilities services and/or temporary staff, customers would make significant deductions from amounts owed.

The consideration allocated for the sale of the book debts is therefore at a significant discount to the carrying value of those book debts in the Companies' records. However, we think that this value significantly exceeds the value that would have been collected had the Companies' businesses and assets not all been sold as going concerns.

Investments

The Companies' investments represented their shareholding in other Group companies, including the other Companies in administration and dormant companies with no realisable assets. However, certain Group companies were kept outside of an insolvency process and the sale offered value for these. The share sales were as follows:

- Cordant People Ltd: the sale of the shares in its wholly owned subsidiaries, Core Staff Services Ltd and Sugarman Group Ltd;
- Cordant Security Ltd: the sale of the shares in its wholly owned subsidiary Cordant Thistle Ltd, and
- Staffgroup Ltd: the sale of its eight wholly owned trading subsidiaries – Eurostaff Group SAS, Eurostaff Group AB, Eurostaff Group AS, Earthstaff GmbH, Eurostaff Group Ltd, Eurostaff Group GmbH (Germany), Eurostaff Group GmbH (Switzerland) and Earthstaff Limited

Plant and machinery, fixtures and motor vehicles

These assets were all sold to the Purchasers, with the consideration matching the ex-situ valuation provided by LSH. There will be further assistance needed to be provided by the Companies to effect the transfers of those assets subject to hire purchase, finance, or other contractual arrangements.

Transitional services agreement

Due to the nature of its businesses, the Companies operated numerous payrolls of varying sizes and frequency, with millions of pounds paid to thousands of employees each week. The banking and administrative operations required to facilitate these wages payments will take a period of time for the purchasers to put in place and it has therefore been agreed that the Purchasers can continue to use Companies' facilities for a transitional period. The Purchasers will put the Companies in funds prior to any payments being made and are required to make a small contribution to the Companies' costs in undertaking this work.

Properties

All of the Companies' properties were leasehold. Our agents, LSH, have confirmed that there was no value in any of the leases.

Prior to our appointment, the Companies held in total 71 leases located around the UK. The Companies traded from 63 of these leaseholds with one lease being sublet to a third party. A licence to occupy was granted to the Purchasers for the period of six months for 63 UK properties and 1 overseas property. Seven properties were not required by the Purchasers and therefore will be returned to the landlords. During the period of the licences to occupy, we will be collecting advance license fees from the Purchasers and applying these in making monthly rent payments to the various landlords until the earlier of the end of the licence period or when the Purchasers no longer require each individual licence.

We will also be providing assistance to the Purchasers in the assignment of the leases to the Purchasers, or otherwise dealing with the landlords should the Purchasers vacate any of the properties.

Deferred consideration

£10 million of the consideration for the sale of the Companies' businesses and assets is deferred and is payable unconditionally on 13 March 2020. Certain of the Purchasers have provided security to the Companies in respect of the deferred consideration. We will be liaising with the Purchasers to ensure the deferred consideration is received as contracted and to take any action as should be necessary to achieve recovery of this amount.

Other post sale matters

Following the sale of the Companies' businesses and assets, there is a considerable amount of work to do to finalise the transfer of contracts and other assets to the Purchasers. This will include, where applicable, the novation of customer contracts, hire purchase agreements, finance and other lease agreements, and other supply contracts. We may also need to provide other assistance to the Purchasers in validating the transfer of the assets.

We will also need to liaise with lawyers in connection with the matters detailed above and security and name changes.

Statutory and compliance work

We have sent out our initial notifications to creditors and other parties, and we will continue to deal matters arising from these, and attend to our other statutory duties throughout the administrations.

We will be communicating with creditors mainly through the website at www.pwc.co.uk/cordantgroup. We will report to the creditors when our proposals have been deemed approved, or alternatively if any creditors have taken the necessary steps to requisition a decision procedure

We will be corresponding with the directors in relation to the production of their statements of affairs, which set out the financial position of the Companies at the date of administration, and copies of these will be put on the website as well as sent to the Registrars of Companies. The next major document we are likely to post to the website will be our remuneration report, setting out the proposed basis upon which our fees be set, together with information on the work to be undertaken and the estimated costs of the administrations.

Our next formal report to creditors will be our progress report for the first 6 months of the administrations, covering the period to 1 September 2020. This will be posted to the website no later than 30 September 2020. This will explain the progress of the administration to that date, the work we have done and still need to do before the administration can be brought to an end

Tax and VAT

The administrators assume responsibility for the Companies' corporation tax returns during the period of the administrations. We will be liaising with HMRC to bring the Companies' tax positions up to date and to submit the necessary returns during the administrations. We will utilise any tax losses available to mitigate the tax payable by the Companies, with the balance of these then being transferred to the Purchasers under the SPA to the extent allowable by law. As the Group has trading subsidiaries (which have been transferred under the SPA) which are located in overseas jurisdictions, this will include consideration of any impacts that foreign tax law may have on the Companies.

Likewise, the administrators will be responsible for submitting the Companies' post-administration VAT returns, and will seek to administer the Companies' affairs so as to maximise the recovery of input VAT, for the benefit of the creditors

Connected party transactions

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 Cordant People Ltd, Staffgroup Ltd, PMP Recruitment Ltd, Premiere Employment Group Ltd, Sugarman Health & Wellbeing Ltd, Cordant Technical Ltd, Cordant Security Ltd, Plc, Cordant Cleaning Ltd

Alan Connor - director of Plc

Ken Steers - director of Plc

Directors' conduct and investigations

As we said in our initial letter to creditors, one of our duties is to look at the actions of anybody who has been a director of the Companies in the three years before our appointment. We have to submit our findings to BEIS within three months of our appointment.

We also have to decide whether any action should be taken against anyone to recover or contribute to the Companies' assets. If you think there is something we should know about and you haven't yet told us, please write to me. This is part of our normal work and doesn't necessarily imply any criticism of the directors' actions

Objective of the administration

We're pursuing objective (b) for the statutory purpose of the administration, which is to achieve a better result for the Companies' creditors as a whole than would be likely if the Company was wound up (without first being in administration). We believe that this objective for each of the Companies will be achieved because:

- The sale of the business has generated realisations in excess of what would have been achieved if assets were sold on a piecemeal basis;
- All of the employees have transferred to the purchaser under TUPE, protecting their employment and minimising claims against the estate that would have arisen from redundancies;
- the sale of the Companies' businesses and assets as going concerns has safeguarded supply to their customers and thereby mitigated contractual claims for non-performance, and
- Placing any of the Companies into liquidation would have resulted in a fragmented and more costly insolvency process, resulting in a worse outcome for creditors.

We'll continue to manage and finance the Companies' administrations from assets realisations. We may also investigate and, if appropriate, pursue any claims the Companies may have. We'll also do anything else we think appropriate, to achieve the purpose of the administration or to protect and preserve the Companies' assets or to maximise realisations or for any other purpose incidental to these proposals.

Estimated outcome for creditors

Secured creditors

As explained earlier, Plc and various subsidiaries utilised a £80m (previously £110m) multi-currency receivables finance facility made available by RBSIF, Barclays and ABN. This facility is secured by assignments of the trading book debts and by debentures and other security documents, providing first ranking fixed charge security over shares and debtors and floating charges over the assets of various trading companies within the Group

ABN also provided Staffgroup Limited and its subsidiaries with a £12m receivables finance facility which is secured by security and guarantees granted by various Staffgroup companies including debentures and share pledges.

In addition, Centrovalli provides a £5m term loan facility to Plc and this facility is secured by fixed and floating charges and guarantees granted by various Group companies.

Based on what we currently know, the amounts due to RBSIF, Barclays and ABN under the Group Facility are expected to be repaid fully from their fixed charge security after the deferred consideration from the Purchasers has been received, which is expected on 13 March 2020. The Staffgroup Euro facility provided by ABN has already been fully repaid. The Centrovalli term loan is not expected to be repaid in full and the return is dependent on the outcome of the administrations.

Preferential creditors (mainly employees)

All employees were transferred to the Purchaser under TUPE, mitigating claims from employees. Therefore, we expect the Companies to have no or very minimal preferential creditors

Unsecured creditors

The prescribed part is a fund that has to be made available for unsecured creditors. It's paid out of 'net property' Net property is floating charge realisations after costs, and after paying – or setting aside enough to pay – preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

The amount of the prescribed part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000
- Subject to a maximum of £600,000

The prescribed part applies in each of these administrations as there are floating charges created on or after 15 September 2003. However, for the Companies with the exception of Cordant Technical Limited and Cordant Cleaning Limited, we think that the costs of the administrations (and payment of preferential claims, if applicable) will exceed

the floating charge realisations; the net property and prescribed part values will therefore be nil and there will be no funds available to pay a dividend to the unsecured creditors.

The floating charge realisations in Cordant Technical Limited are higher as its trade debts were not assigned to the Lenders and therefore are a floating charge realisation. Cordant Cleaning Limited also had higher floating charge realisations as, due to the nature of its business, it owned more / higher value plant and equipment. We therefore think that the floating charge realisations in Cordant Technical Limited and Cordant Cleaning Limited will exceed their costs of realisation and administration.

Cordant Cleaning Limited and Cordant Technical Limited prescribed part dividends

We think there will be a prescribed part dividend for unsecured creditors in these two administrations, based on what we know currently.

If we think the costs of agreeing claims and paying a prescribed part dividend will exceed the prescribed part funds available, we can apply for a court order not to pay the prescribed part to unsecured creditors. At the moment we don't plan to make such an application. In the table below, we set out our current estimates of the two companies' net property, prescribed part, and likely dividend payment to unsecured creditors. These estimates depend on future realisations, administration costs and finalising claims from unsecured creditors. This guidance is only an indication. You shouldn't use it as the main basis for any bad debt provisions or debt trading.

Company	Net property	Prescribed part	Estimated dividend (p in the £)
Cordant Cleaning Limited	178,278	38,656	<0.5p
Cordant Technical Limited	217,546	46,509	10 - 20p

The estimated dividend assumes a certain level of costs paid out of the prescribed part for the work in adjudicating claims and paying the dividend, and is based on the level of creditor claims currently available from the companies' records. This will be subject to change once we have a clearer view of these figures following receipt of the directors' statements of affairs and once unsecured claims start to be received.

In addition to any prescribed part, we don't think there will be any dividend for unsecured creditors based on what we know currently.

Our fees and disbursements

We intend to propose that our fees be set as fixed amounts in each of the administrations. The amount of each fixed fee will be subject to discussion with the relevant fee approver. We think that a fixed fee basis is appropriate as we expect to have considerable certainty within the first month of appointment as to the extent of realisations, and this then provides greater certainty to the creditors over the costs of the administrations. We also intend to propose that disbursements for services provided by our firm (defined as Category 2 disbursements) are charged as per our firm's policy.

It will be up to the creditors' committee to fix the basis of our fees and Category 2 disbursements. But if there's no committee, because we've said we think the Company doesn't have enough assets to pay anything to unsecured creditors other than via the prescribed part, we'll ask the secured creditors to do so instead. If creditors or the committee do not fix the basis of our fees and Category 2 disbursements, we may apply to the court to fix them no later than 18 months after the date of our appointment.

Before the basis of our fees can be approved, we must provide all creditors with the following:

- Details of the work we have done and propose to do (much of which has been included in this report).
- Details of the expenses we expect to incur, and
- If any element of our remuneration is to be paid on a time cost basis, an estimate of the hours likely to be incurred and the hourly rates for that work (a fees estimate).

We will circulate a further report containing this information in due course.

Ending the administration

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

Cordant Plc, Cordant People Limited, Cordant Security Limited, PMP Recruitment Limited, Sugarman Health and Wellbeing Limited, Staffgroup Limited and Premiere Employment Group Limited

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 Company to be wound up

Cordant Cleaning Limited and Cordant Technical Limited

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 Company 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 Company 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

Estimated financial position

The directors have not yet given us a statement of affairs for the Companies. This is because we have issued these proposals as soon as reasonably practicable and the directors are still in the process of preparing the statements. A copy of each of the Companies statement will be filed at Companies House in due course

Pending submission of the directors' statement of affairs, we set out at Appendix D the estimated financial position of the Companies as at 2 March 2020. As required by law, this includes details of the creditors' names, addresses and debts, including details of any security held, to the best of our knowledge at this time

Statutory and other

Court details for the administration:

High Court of Justice

Business and Property Courts of England and Wales Insolvency & Companies List (ChD)

Cordant Group Plc - CR-2020-001299
 Cordant Security Limited - CR-2020-001298
 Cordant Cleaning Limited - CR-2020-001304
 Cordant People Ltd - CR-2020-001301
 PMP Recruitment Limited - CR-2020-001300
 Staffgroup Limited - CR-2020-001302
 Premiere Employment Group Ltd - CR-2020-001306
 Sugarman Health and Wellbeing Ltd - CR-2020-001303

and

Court of Session, Edinburgh

Cordant Technical Limited - P155/20

Full names and Registered numbers:

Cordant Group Plc - 03385619
 Cordant Security Limited - 03153231
 Cordant Cleaning Limited - 01569634
 Cordant People Ltd - 02636670
 PMP Recruitment Limited - 03485614
 Staffgroup Limited - 07817905
 Premiere Employment Group Ltd - 04963501
 Sugarman Health and Wellbeing Ltd - 02958051
 Cordant Technical Limited - SC222281

Registered addresses:

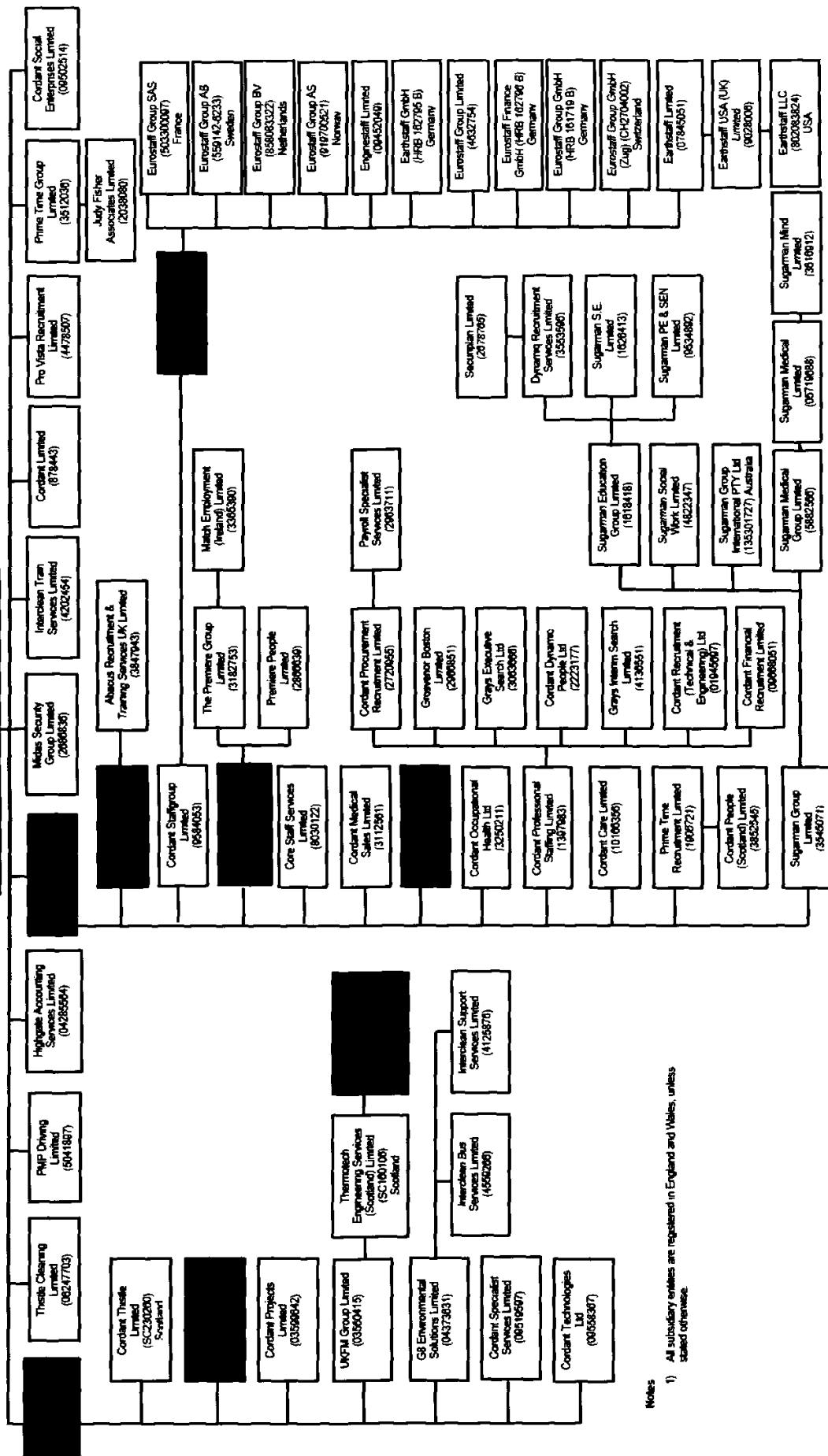
Cordant Group Plc - Chevron House, 346 Long Lane, Hillingdon, Middlesex, UB10 9PF
 Cordant Security Limited - Cordant Security, Chevron House Long Lane, Hillingdon, Uxbridge, Middlesex, UB10 9PF
 Cordant Cleaning Limited - Chevron House, 346 Long Lane, Hillingdon, Middlesex, UB10 9PF
 Cordant People Ltd - Chevron House, 346 Long Lane, Hillingdon, Middlesex, UB10 9PF
 PMP Recruitment Limited - Chevron House Long Lane, Hillingdon, Uxbridge, Middlesex, UB10 9PF
 Staffgroup Limited - Chevron House 346 Long Lane, Hillingdon, Uxbridge, Middlesex, UB10 9PF
 Premiere Employment Group Ltd - Chevron House, 346 Long Lane, Hillingdon, Middlesex, UB10 9PF
 Sugarman Health and Wellbeing Ltd - Chevron House, 346 Long Lane, Hillingdon, Middlesex, UB10 9PF
 Cordant Technical Limited - 100e Cumbernauld Road, Muirhead, Glasgow, Strathclyde, G69 9AB

Company directors:	<p>Applicable to all of the Companies</p> <p>Chris Martin Kenneally</p> <p>Jack Rainer Ullmann</p> <p>Phillip Lionel Ullmann</p> <p>*Please note Cordant Group Plc has additional company directors as follows:</p> <p>Alan Connor</p> <p>Daniel Liebert</p> <p>Ken Steers</p> <p>Deborah Miriam Ullman</p> <p>Harry Ullmann</p> <p>Uri Ullmann</p>
Company secretary:	<p>Alan Connor (for all of the Companies)</p> <p>* Please note Cordant Technical Limited and Staffgroup Limited have no company secretary</p>
Shareholdings held by the directors and secretary:	<p>Cordant Group Plc - Phillip Ullman holds 3,789,578 C Ordinary shares and is a beneficiary of the Jack Ullman Family Trust (3,823,264 A ordinary shares) of which Jack Ullman is a trustee and is also a director of Cordant Group Plc.</p> <p>Chris Martin Kenneally a director of Cordant Cleaning Limited holds 31 ordinary A shares in the corresponding company</p>
Date of the administration appointment:	2 March 2020
Administrators' names and addresses:	<p>Rachael Maria Wilkinson of PricewaterhouseCoopers LLP, 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH</p> <p>Zelf Hussain of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT</p> <p>David Robert Baxendale of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT</p>
Appointer's/applicant's name and address:	The directors of the Companies'
Objective being pursued by the Administrators:	Objective (b).- 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)
Division of the Administrators' responsibilities:	For the purposes of paragraph 100(2) Sch B1 the administrators may exercise any of the powers conferred on them by IA86 jointly or individually
Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast) :	The Regulation applies to these administrations and the proceedings are main proceedings.

Receipts and payments account

Receipts and Payments (to 9/3/2020)										Sugarman H&W	
£	Plc	PMP	Security	People	Technical	Cleaning	Premiere	Staffgroup			
Receipts											
Debtors		11,634,886	7,235,981	3,282,823		4,352,151	2,441,093	-		269,709	
Investments		-	200,000	1,703,067		-	-	4,489,341		-	
Total Fixed charge realisation	-	11,634,886	7,435,981	4,985,890	-	4,352,151	2,441,093	4,489,341		269,709	
Freehold	-	-	-	-	-	-	-	-		-	
Debtors	-	-	-	-	334,538	-	-	-		-	
Investments	299,994	-	-	-	-	-	-	-		-	
Fixtures & Fittings, Plant and machinery	-	45,500	26,000	100,000	3,000	159,500	16,000	-		13,000	
Cash at bank and in transit	-	-	-	-	-	-	-	-		-	
Other debtors & prepayments	-	-	-	-	-	-	-	-		-	
Intra-group debtors	-	-	-	-	-	-	-	-		-	
Deferred tax	-	-	-	-	-	-	-	-		-	
The benefit of the bond documents	-	-	1	-	-	-	-	-		-	
The business	1	1	1	1	1	1	1	-		1	
The business Intellectual Property	1	1	1	1	1	1	1	-		1	
The Computer Systems	1	1	1	1	1	1	1	-		1	
The benefit of the contracts	1	1	1	1	1	1	1	-		1	
The goodwill	1	1	1	1	1	1	1	-		1	
The properties	-	1	1	1	1	1	1	-		1	
The stock	-	1	1	1	1	1	1	-		1	
The records	1	1	1	1	1	1	1	-		1	
Total Floating charge realisations	300,000	45,508	26,009	100,008	337,546	159,508	16,008	-		13,008	
Licence to occupy receipts	-	39,887	10,160	98,579	-	9,443	20,548	-		17,118	
Total Receipts	300,000	11,720,281	7,472,150	5,184,476	337,546	4,521,103	2,477,649	4,489,341		299,835	
Payments											
Distributions to Secured Creditors	-	11,095,394	6,966,990	4,425,898	-	3,993,381	2,267,101	4,165,165		92,717	
Cash held	300,000	624,887	505,160	758,579	337,546	527,722	210,548	324,175		287,118	

Appendix A: Group structure



Notes
1) All subsidiary entities are registered in England and Wales, unless stated otherwise.

Appendix B: Pre-administration costs

The table below provides details of costs which were incurred before our appointment as Administrators but with a view to the Company 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	£215,671.09
Expenses incurred by us as Administrators-in-waiting	£3,408.95	Plc prior to appointment	£50.00
- Eversheds Sutherland (International) LLP	-	N/A	£291,650.51
- Gateleys Plc	-	N/A	£18,000
- Burness Paull LLP	-	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		£529,690.60

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 H&W	Total
Admin in waiting - fees	21,567	42,056	35,586	47,448	8,627	24,443	13,659	8,627	13,659	215,671
Admin in waiting - expenses	5	10	8	11	2	6	3	2	3	50
Eversheds Sutherland (International) LLP	29,597	57,714	48,835	65,113	7,520	33,543	18,745	11,839	18,745	291,651
Gateleys Plc	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000
Burness Paull LLP					4,319					4,319
Total pre appointment fees	53,169	101,780	86,429	114,572	22,468	59,992	34,407	22,468	34,407	529,691

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.

Our SIP16 report that can be found at Appendix C provides further details in respect of the sale of the businesses and assets in particular.

Appendix C: Copy of the Joint Administrators' report to creditors on the pre-packaged sale of the business and all of its assets

This appendix can be downloaded for our website www.pwc.co.uk/cordant. The document is titled:

Initial letter to creditors with SIP 16 report

Appendix D: Estimated financial position including creditors' details

As we have not yet received the directors' statements of affairs for the Companies, we set out below the estimated financial position of the Companies as at 2 March 2020. The book values are based on information provided to us by the Companies from available management information; they may not be up to date and have not been checked by management or audited. They may, therefore, differ from the figures in the directors statements of affairs when these are produced.

The statements of estimated financial position do not include any estimates of the costs of the administrations. This means that a proportion of the estimated realisations in each of the Companies will be utilised in meeting the costs of realisation and administration and the fees and disbursements of the administrators. In estimating the financial position of each of the Companies, we have made the following assumptions:

- the deferred consideration is received in line with the terms of the SPA;
- the assets realise the amounts set out in the SPA for each of the Companies but that there are no further asset realisations; and
- there are no preferential claims.

The expected return to Secured Creditors are set out below:

Class of creditor	Estimated amount owed	% Recovery	Forecast timing
Secured creditors:			
RBSIF	£40,293,517	100	March 2020
Barclays			
ABN			
ABN (EURO Staffgroup Limited Facility)	€3,172,732	100	Paid
Centrovalli	£6,031,143	Uncertain	9 -12 months

We are also required to attach lists of the names and addresses of the known creditors of the Companies. These are available on our website and can be accessed via the below links. Again, these are sourced from the Companies records and may not be up to date. The omission of a creditor from this list (or from the statements of affairs in due course) does not prejudice the position of a creditor or affect its ability to lodge a claim and share in any eventual distribution to creditors.

Cordant Group Plc

https://www.pwc.co.uk/business-recovery/administrations/assets/cordant/plc_listofcreditors_20200309.pdf

Cordant Security Limited

https://www.pwc.co.uk/business-recovery/administrations/assets/cordant/security_listofcreditors_20200309.pdf

Cordant Cleaning Limited

https://www.pwc.co.uk/business-recovery/administrations/assets/cordant/cleaning_listofcreditors_20200309.pdf

Cordant People Ltd

https://www.pwc.co.uk/business-recovery/administrations/assets/cordant/people_listofcreditors_20200309.pdf

PMP Recruitment Limited

https://www.pwc.co.uk/business-recovery/administrations/assets/cordant/pmp_listofcreditors_20200309.pdf

Staffgroup Limited

https://www.pwc.co.uk/business-recovery/administrations/assets/cordant/staffgroup_listofcreditors_20200309.pdf

Premiere Employment Group Ltd

https://www.pwc.co.uk/business-recovery/administrations/assets/cordant/peg_listofcreditors_20200309.pdf

Sugarman Health and Wellbeing Ltd

https://www.pwc.co.uk/business-recovery/administrations/assets/cordant/sugarman_listofcreditors_20200309.pdf

Cordant Technical Limited

https://www.pwc.co.uk/business-recovery/administrations/assets/cordant/technical_listofcreditors_20200309.pdf

Premiere Employment Group Limited - List of unsecured creditors

Name	Address 1	Address 2	Address 3	Address 4	Address 5	Value
DEPT OF JUSTICE ON BEHALF OF ACCESS NI	GOODWOOD HOUSE (ACCOUNT NI)	44-58 MAY STREET	BELFAST	CO ANTRIM	BT1 4NN	-
A C NIELSON CO LTD	NIELSON HOUSE	HEADINGTON	OXFORD		OX3 9RX	700.00
ARCO LTD	PO BOX 21	WAVERLEY STREET	HULL		HU1 2SJ	1,294.92
ARCHER ADVERTISING LTD	VISION HOUSE	56 DONEGALL PASS	BELFAST		BT7 1BU	156.00
ASH & CO	UNIT 10 PULLMAN COURT	GREAT WESTERN ROAD	GLOUCESTER		GL1 3ND	45.00
ATRADIUS COLLECTIONS IRELAND	438 YEATS WAY	PARK WEST BUSINESS PARK	DUBLIN 12	IRELAND		-
THE BAR LIBRARY	91 CHICHESTER STREET	BELFAST			BT1 3JQ	935.00
TIPPERARY WATER/BECK & SCOTT	UNIT 1 RAVENHILL BUSINESS PARK	RAVENHILL ROAD	BELFAST..		BT6 8AW	-
CHARLEY WELLS LTD	8 GAINSBOROUGH CRESCENT	HILLMORTON	RUGBY		CV21 4QQ	476.28
CLASSIC MINERAL WATER (IRELAND) LTD	12 CHURCH PLACE	LURGAN			BT66 6EY	79.80
COLLIERS INTERNATIONAL (LONDON)	50 GEORGE STREET	LONDON	HILLINGDON		W1 7GA	-
CORDANT GROUP PLC	CHEVRON HOUSE	346 LONG LANE			UB10 9PF	72,254.07
MCCOMBE PIERCE LLP (BELFAST RENT)	5 OXFORD STREET	BELFAST			BT1 3LA	1,262.89
CORDANT CLEANING LTD	CHEVRON HOUSE	346 LONG LANE	HILLINGDON	UXBRIDGE	UB10 9PF	180.78
EDGARS COOL WATER	NEW WHARF	BRIGHTON ROAD	WEST SUSSEX		BN43 6RN	267.26
FISHER GERMAN LLP	1 KINGS COURT	CHARLES HASTINGS WAY	WORCESTER		WR5 1JR	5,316.25
FLEET ALLIANCE	SKYPARK 1. 8 ELLIOTT PLACE	GLASGOW			G3 8EP	-
FOURTH LTD	90 LONG ACRE	COVENT GARDEN	LONDON		WC2E 9RA	-
HOWDEN EMPLOYEE BENIFITS & WELLBEING LTD	BETCHWORTH HOUSE	57-65 STATION ROAD	REDHILL	SURREY	RH 1 1DL	182.00
ICETRAX LTD	2 NIMROD HOUSE	ENIGMA BUSINESS PARK	SANDYS ROAD	MALVERN, WORCS.	WR14 1JJ	863.78
IMAGE OFFICE SUPPLIES LTD	IMAGE HOUSE, PUMP LANE	HAYES	MIDDLESEX		UB3 3NP	1,090.34
INTOUCH FIRE & SECURITY LTD	UNIT 3 PARKSIDE IND ESTATE	EDGE LANE STREET	ROYTON	OLDHAM	OL9 0HB	528.60
LEX AUTOLEAS LTD	HEATHSIDE PARK	STOCKPORT	CHESHIRE		SK3 0RB	944.84
LISBURN CITY COUNCIL REFUSE COLLECTION	ISLAND CIVIC CENTRE	THE ISLAND	LISBURN		BT27 4RL	1,014.00
MCQUILLAN BUILDING & JOINERY	11 JOHNSTON WAY	LISBURN			BT28 2AQ	883.20
PALMERS HEATING	31 SHAFTSBURY AVENUE	BLACKPOOL	LANCASHIRE		FY2 9QH	45.00
PHS GROUP PLC	WESTERN INDUSTRIAL ESTATE		CAERPHILLY		CF83 1XH	875.47
PMP RECRUITMENT LTD	55-57 SHEEP STREET	NORTHAMPTON			NN1 2NE	108,000.00
CORDANT PEOPLE LTD	55-57 SHEEP STREET	NORTHAMPTON			NN1 2NE	37,246.32
Q.C.S CONTRACT CLEANING LTD	2a JENNYMOUNT COURT	NORTH DERBY STREET	BELFAST	CO ANTRIM	BT15 3HN	496.78
REGUS BEACONSFIELD	PO BOX 426	BELFAST			BT1 3YE	16.20
HYDRO ELECTRIC DD ACCOUNT	PO BOX 514	BASINGSTOKE			RG21 8WS	30.00
SEWING SOLUTIONS 2	UNIT 8	AGNES STREET INDUSTRIAL ESTATE	BELFAST	ANTRIM	BT13 1GB	842.40
SEYMOUR CLEANING SERVICES	9 CHESTNUT HALL AVENUE	MAGHABERRY			BT67 0GG	60.00
SMART OFFICE SYSTEMS LTD	356A DUKESWAY COURT	TEAM VALLEY TRADING ESTATE	TYNE AND WEAR		NE11 0BH	3,642.36
SUGARMAN HEALTH & WELLBEING LTD	6TH FLOOR	10 FENCHURCH STREET	LONDON		EC3M 3BE	955.80
VICTORIA MECHANICAL SERVICES	UNIT A22	20 HERON ROAD	BELFAST		BT3 9LE	168.00
VOLKSWAGEN GROUP LEASING	BRUNSWICK COURT	YEOMANS DRIVE	MILTON KEYNES		MK14 5LR	0.02
WATER PLUS (0703051949)	PO BOX 12459	HARLOW	ESSEX		CM20 9PH	-
WATER PLUS (0831075646)	PO BOX 12459	HARLOW	ESSEX		CM20 9PH	-
LAYA HEALTHCARE	EASTGATE ROAD	EASTGATE BUSINESS PARK	LITTLE ISLAND	CORK		-
CPL SOLUTIONS LTD	INVOICE TO CASH DEPT 2ND FLR	8 - 34 PERCY PLACE	DUBLIN 2		DUBLIN 4	3,532.15
DUBLIN CITY COUNCIL	16 CASTLE STREET					0.01

To all known creditors

6 March 2020

Our ref:MF/OCI/RW /D355Gv2017

Dear Sirs

Cordant Group Plc, Cordant People Ltd, Cordant Security Ltd, PMP Recruitment Ltd, Sugarman Health and Wellbeing Ltd, Cordant Cleaning Ltd, Cordant Technical Ltd, Premiere Employment Group Ltd and Staffgroup Ltd – all in administration (“the Companies”)

Why you’ve received this letter

The records of the Companies show that you may be owed money by one or more of the Companies. So, I’m writing to tell you that, as shown on the enclosed notices, Zelf Hussain, David Baxendale and I were appointed joint administrators of the Companies on 2 March 2020. We will manage the affairs, business and property of the Companies as their agents and without personal liability.

I’m also writing to tell you about the sale of the business and assets of the Companies, including the shares in several subsidiaries.

Sale of the business, assets and certain shares.

I’m pleased to tell you that 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 and provided continuity of service to over 2,000 customers.

The sales also included the sale of the shares in four UK entities and six European entities. The overall transaction has ensured these entities were able to be sold solvently.

The purpose of administration

The statutory purpose of an administration is to achieve one of these objectives:

- a. rescuing the company as a going concern, or if that is not possible or if (b) would achieve a better result for the creditors than (a)
- b. 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), or finally, if that isn’t possible
- c. realising the company’s assets to make a distribution to secured or preferential creditors.

In this case, we are pursuing objective b for each of the Companies as it wasn’t possible to rescue the Companies as going concerns.

The sale enables the statutory purpose to be achieved. Further details are set out in the Appendix below.

Twenty20 Capital Holdings Ltd is not a connected party and has the controlling interest in the purchaser. However, we understand that certain connected parties have been granted a minority interest in the purchaser, further details are provided in the Appendix. Given the minority connected interest, we suggested that the purchaser approach the Pre-Pack Pool, the body of experienced business people set up in response to a series of recommendations contained in an independent review of pre-packaged administrations (The Graham Review) to provide an independent opinion on pre-packaged administration sales to connected parties. However, the purchaser decided not to do so and has not provided us with a viability statement for the new businesses.

If you’re a supplier or customer with an outstanding order, you want to reclaim stock subject to retention of title or you own property hired or rented by the Companies or if you hold any Company property, please email administrationenquiries@cordantgroup.com

What you’re owed

We will shortly be writing to all known creditors of the English companies inviting them to lodge claims in the various administrations via the Turnkey (IPS) on-line portal. The letters will provide creditors with instructions on how to

access the portal, together with your unique login details. You will need to make a separate claim against each company you are owed money by.

Creditors of Cordant Technical Limited will need to download a proof of debt form from the website www.pwc.co.uk/cordantgroup and submit their claims on paper.

If your claim includes VAT, you may be able to obtain VAT bad debt relief six months after your supply. Your local VAT office can help you with this.

How we report to creditors

As administrators we have to prepare and send out our proposals setting out how we intend to achieve the purpose of administration for the Companies. We're in the process of drafting our proposals and, in accordance with the general website notice circulated to creditors, we will be posting the proposals to the website www.pwc.co.uk/cordantgroup prior to 5pm on Monday 9 March 2020.

Your rights as creditors

Our appointment means that you can't start or continue legal action, enforce security or repossess any goods held by the Company unless we agree or the court allows it.

You can find information on administrators' fees and your rights at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017-ashx?la=en>

Please contact Syed Shah on 0113 289 4314 or at syed.s.shah@pwc.com if you'd like a paper copy free of charge or have any questions.

Directors' conduct

One of our duties is to look at the actions of anybody who has been a director of the Company in the three years before our appointment. We also have to decide whether any action should be taken against anyone to recover or contribute to the Company's assets. If you think there is something we should know about, please write to me at this address. This is part of our normal work and doesn't necessarily imply any criticism of the directors' actions.

Contact details

We have set up email addresses for general queries in the administration. Using these email addresses will enable us to route queries to the right person more quickly.

General creditor queries: uk_cordantgroupcreditors@pwc.com

Employee queries: uk_cordantgroupemployees@pwc.com

Landlords: uk_cordantgroupproperty@pwc.com

Postal address: 8th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL

Yours faithfully
For and on behalf of the Companies



Zelf Hussain
Joint Administrator

Enclosures: Appendix A: Information on sale of businesses and assets of the Companies (SIP16 report)
Appendix B: Schedule of security
Appendix C: Analysis of consideration - sterling

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, businesses and property as their 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](https://www.pwc.co.uk) website or by contacting the joint administrators.

Term	Definition
Bidco 1	Twenty20 Capital Bidco1 Ltd
Cordant / the Group	Cordant Group plc and its subsidiaries
Cleaning	Cordant Cleaning Ltd
CQC	Care Quality Commission
CVA	Company Voluntary Arrangement
Deloitte	Deloitte LLP
Group Facility	Confidential invoice discounting facility provided by RBSIF, Barclays and ABN to Plc and a number of the Group subsidiaries
H&W	Sugarman Health and Wellbeing Ltd
LSH	Lambert Smith Hampton Ltd
People	Cordant People Ltd
PEG	Premiere Employment Group Ltd
Plc	Cordant Group Plc
PMP	PMP Recruitment Ltd
Security	Cordant Security Ltd
SIP16	Statement of Insolvency Practice No 16
Technical	Cordant Technical Ltd
The Companies	Cordant Group Plc, Cordant People Ltd, Cordant Security Ltd, PMP Recruitment Ltd, Sugarman Health and Wellbeing Ltd, Cordant Cleaning Ltd, Cordant Technical Ltd, Premiere Employment Group Ltd and Staffgroup Ltd
The Lenders	RBS Invoice Finance Limited, Barclays Bank PLC and ABN Amro Asset Based Finance N.V.
The Prospective Lender	Overseas bank whom submitted an offer
The Purchaser	Twenty20 Capital Bidco 1 Ltd 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.
The Staffgroup Facility	£12m receivables finance facility provided by ABN Amro Asset Based

	Finance N.V. to Staffgroup Limited and its subsidiaries
The Termination Date	1 August 2019
The Whole Group Offers	Offers received for the business and assets of all entities within the Group
Twenty20	Twenty 20 Capital Ltd

Appendix A

Information regarding the sale of the business and assets of Cordant Group Plc and certain subsidiaries on 2 March 2020 as required by Statement of Insolvency Practice No.16 (SIP 16)

The purpose of Statements of Insolvency Practice (SIPs) is to promote and maintain high standards by setting out required practice and harmonising the approach of Insolvency Practitioners to particular aspects of insolvency work.

SIP 16 relates to situations where the sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an administrator and the administrator effects the sale immediately on, or shortly after, appointment. This is sometimes referred to as a 'pre-packaged sale'.

In the lead up to an administration appointment, an insolvency practitioner may act as an advisor to the company as it seeks to make arrangements for a sale. Their role at this time is to advise the company, rather than the directors or the purchaser.

Following an appointment where no sale agreement has yet been signed, the insolvency practitioner may become the administrator and complete the sale in that role. When considering the manner of disposal of the company's business or assets, an administrator must bear in mind their duties to company's creditors as a whole.

A copy of SIP 16 can be found at the link below:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/eng/and-sip-16-e-and-w-pre-packaged-sales-in-administrations-2015-ashx>

More information regarding the purpose and process of administration can be found at the link below.

https://www.r3.org.uk/media/documents/publications/professional/Creditors_Administration.pdf

Information relating to this sale is set out in the remainder of this Appendix.

Background

Cordant Group plc and its subsidiaries ("Cordant" or "the Group") is the UK's leading independently owned talent solutions group, serving the temporary and permanent labour market across the distribution, delivery, security, cleaning, IT, healthcare and education sectors. Group operations are mainly in the UK, with some operations in France, Germany and Australia. Its head office is in London, with a network of divisional head offices across the UK.

Cordant turned over c £868m in FY18 with an EBITDA of £2.9m and a loss before tax of £17.9m. FY19 revenues were £912m EBITDA was £8.2m and the loss before tax was £6.1m. Cordant engages with over 1 million prospective employees and workers, and services over 2,000 customers, including big name employers such as Amazon and XPO.

Cordant has 20 trading subsidiaries (direct and indirect) and operates under various brand names including Cordant, Staffgroup and Sugarman. Cordant Group Plc ("Plc") and various of its subsidiaries utilise a £110m multi-currency receivables finance facility made available by RBS Invoice Finance Limited, Barclays Bank PLC and ABN Amro Asset Based Finance N.V. (together "the Lenders"). This facility is secured by debentures and other security documents, providing first ranking fixed charge security and floating charges over the 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 (the "Group Facility")). ABN Amro Asset Based Finance N.V. also provides a £12m receivables finance facility to Staffgroup Limited and its subsidiaries (the "Staffgroup Facility"). This facility is secured by security and guarantees granted by various Staffgroup companies including debentures and share pledges.

In addition, Centrovalli Limited, a BVI registered company, provides a £5m term loan facility to Plc and this facility is secured by fixed and floating charges and guarantees granted by various Group companies.

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.

We understand that the Group had been in discussion with the Lenders about a full refinance of the Group Facility since April 2016 and that 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 which were confirmed in December 2018. On 17 January 2019, the Group received notice from the Lenders that the Group was required to conclude a refinance on or before 31 March 2019 or provide alternative proposals.

Following receipt of this letter, the Group instructed FRP Advisory to assist with a refinance and PwC to assist the Group to project manage the refinance process and assist with the Group's stakeholder management in respect of the Lenders. Over the period January - June 2019, the Group worked with FRP Advisory to find an alternative funder. The Group was unsuccessful in securing any interest from traditional invoice discounting providers who would be able to replace the current facilities with like for like facilities. Alongside FRP the Group also engaged Demica, an independent provider of technology based financial solutions. Demica were engaged to provide a securitisation platform, into which institutional lenders would provide funding. In May 2019 the Group received an offer from an overseas bank (the "Prospective Lender") to provide funds through the securitisation platform and in the period May 2019 to August 2019 due diligence was undertaken by a third party firm on behalf of the Prospective Lender and the Group worked with Demica, FRP and the Prospective Lender to provide large amounts of information required to set up the securitisation platform. Throughout this time the Lenders continued to support the Group with the existing facilities, including at times, allowing the Group to borrow in excess of the agreed facility limits.

The initial "go live" date for the securitisation platform was the end of July 2019, which would have allowed the Group Facility to be repaid by the Termination date and the required funding be in place for the audit sign off. This was subsequently delayed to early September 2019.

On 27 June 2019, the Group made a formal request to the Lenders to roll forward the existing facilities for 12 months to allow for the audit to be completed and accounts to be filed on a going concern basis pending the completion of the refinance. The Lenders granted a two month extension to the facilities to the end of September 2019 to allow for completion of the Demica process. A further request was made on 2 August 2019 for a 12 month facility.

On 8 August 2019, the Group was informed that the Prospective Lender had withdrawn its offer of funding, citing uncertainty over Brexit and concerns over past losses incurred by the Group.

Further requests were made on 29 August 2019 and 3 October 2019 to the Lenders to roll forward the existing facilities for 12 months.

Following the withdrawal of the Prospective Lender, and an indication from two of the three existing Lenders that they would consider a 12 month roll forward of facilities, the Group instructed Demica to find a new party to replace the third existing lender. This exercise identified one party who agreed heads of terms with the existing lender to replace them but at a discount. However, this party withdrew when a second existing Lender requested they were also replaced by the party on the same terms.

On 27 September 2019, the Lenders issued a forbearance agreement, setting out the terms on which they would be willing to continue to provide facilities to the Group. The principle terms of the agreement were that the Lenders would provide a period of forbearance 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.

On 10 October 2019 the Group wrote to the Lenders to confirm its understanding of the current position in that, collectively, the existing Lenders were not willing to consider a 12 month extension to the facilities. The Group also set out its plans to undertake a further refinance exercise, to establish at what discount to the

existing lending the facilities could be refinanced (i.e. at less than the amount outstanding). The Lenders had indicated they may be willing to accept repayment at a discount

The terms of the forbearance agreement which was entered into on 24 December 2019 reflected this. The principle terms were

- The Group would have until 6 January 2020 to complete a refinance;
- If the refinance was not completed by this date, the Group would begin an accelerated M&A 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 must be completed by 28 February 2020.
- The Group would instruct PwC to undertake a detailed separation review to determine if and how the Group could be sold on a piece-meal basis.

On 17 October 2019, the Group instructed PwC to assist in obtaining funding to replace the Group's £120m invoice discounting facility, on the basis that the Lenders had indicated that they would consider accepting repayment at a discount if such a refinance could be delivered in an accelerated time-frame. During this process, PwC approached 20 parties on behalf of the Group. These parties could replace the Group's existing funding through either (1) a traditional invoice discounting facility provided by one lender alone or a combination of lenders in a club arrangement, or (2) an invoice discounting facility that included a "first-in, last-out" tranche that would increase the overall quantum of funding available against the Group's asset base.

All parties approached expressed an interest and were provided with further information, including attendance at management presentations. This resulted in the Group receiving several indicative offers. However, the discount levels implied by the new lending proposals were unacceptable to the Group's Lenders and the timescales for completion were considered beyond that available to the Group.

In order to comply with the terms of the Forbearance agreement, in late December 2019, the Group instructed Deloitte LLP ("Deloitte") to seek a buyer for the trading businesses of the Group (either to one buyer or to a series of individual buyers) on an accelerated sale basis to begin on 6 January 2020. The details of the Deloitte marketing and sale process are set out later in this document. Key points are summarised here:

- The process began on 6 January 2020, as required by the Forbearance Agreement;
- 44 parties were approached;
- 33 parties signed NDA's and were provided with further information;
- Five parties put in an initial bid for the whole group (all were a mixture of trade and asset and share sales) and 4 parties put in a bid for only part of the Group;
- Four of the whole Group bidders fell away during the period between initial and final bids; and
- The part bidders were provided with further information but the remaining whole group bid was prioritised on the basis that it offered the best outcome for creditors.

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 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. A further condition of continued forbearance was that the Group instructed PwC to prepare a contingency plan in the event that the sale did not complete and an insolvency of the entire group was required.

On 30 January 2020 the Group was also 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 following Group companies filed a Notice of Intention to Appoint Administrators and on 2 March 2020, the directors appointed Administrators over the entities:

- *Cordant Group Plc*

- Cordant People Ltd
- Cordant Security Ltd
- PMP Recruitment Ltd
- Sugarman Health & Wellbeing Ltd
- Cordant Cleaning Ltd
- Cordant Technical Ltd
- Premiere Employment Group Ltd; and
- Staffgroup Ltd

Due to the matters identified throughout this appendix, the directors and the Administrators concluded that a pre-packaged sale of the business and assets of the above entities provided the optimum outcome for creditors and stakeholders. In particular, this was on the basis that:

- The offers which maximised returns to creditors were made on the basis of the transaction being executed via a pre-packaged administration,
- We have 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, and
- The sale resulted in the transfer of c 45,000 employees thereby mitigating preferential creditor claims

The administrators' initial introduction

Zelf Hussain and Rachael Wilkinson were introduced to Cordant Group Plc (the "Group") in January 2019 by Nick Farr, a tax specialist at PwC. David Baxendale, was introduced to the Group in February 2020.

The extent of the administrators' involvement before the appointment

PwC engagement letter dated 22 January 2019, as amended on 10 April 2019, 12 September 2019, 4 December 2019 and 20 February 2020 with Cordant Group Plc ("Plc")

Pursuant to the above PwC was engaged to:

Engagement Letter dated 22 January 2019

- assist Plc to project manage the FRP refinance process; and
- assist Plc in its communication strategy with the Lenders including, where requested, attending meetings with the Lenders and Cordant.

Amendment Letter dated 10 April 2019

- Comment on the restructuring options being pursued by Plc through the FRP refinance process, and
- Comment on the alternative options of a solvent sale or equity raise in the event the refinance is unsuccessful

Amended Letter dated 12 September 2019

- Assist the Group to prepare for a sale process in the event that a refinance cannot be secured;
- Assist the Group in discussions with the Lenders regarding an extension of the existing facilities for 12 months to September 2020;

- Assist the Group to plan for a situation where an extension of facilities cannot be secured and the FY18 accounts have an emphasis of matter, including assisting the Group to prepare communication plans for key stakeholders; and
- Draft an estimated outcome statement to illustrate potential recoveries for stakeholders in the event that a going concern sale of the Group as a whole was not achievable

Amended Letter dated 4 December 2019

- In connection with the PwC Refinancing Process (per engagement letter dated 17 October 2019 detailed below) assist the Group to prepare a Cordant branded presentation setting out the historic, current and forecast financial position of the Group. Assist the Group in responding to follow up queries from prospective lenders

Amended Letter dated 20 January 2020

- Provision of general insolvency advice
- Assistance in respect of the sale of the Group.

PwC engagement letter dated 10 June 2019 with Cordant Group Plc, RBS Invoice Finance Limited, Barclays Bank PLC, Barclays Bank Ireland PLC and ABN AMRO Asset Based Finance N.V

Pursuant to the above PwC was engaged to.

- Comment on the Group's forecast profit and loss accounts, cash flow forecasts and balance sheets for FY19, which will include 4 months to April 2019 month end actuals and 8 months forecast, and
- In light of the Group not currently having a 12 month committed funding facility, review and comment on the options available in respect of the filing of its 2018 accounts

PwC engagement letter dated 17 October 2019 with Cordant Group Plc

- In the light of the indication from the Lenders that they would be prepared to consider a refinance at less than par, assist the Group to explore refinancing opportunities on this basis

PwC engagement letter dated 21 October 2019 with Cordant Group Plc, RBS Invoice Finance Limited, Barclays Bank PLC, Barclays Bank Ireland PLC and ABN AMRO Asset Based Finance N.V

- Prepare a Contingency Plan setting out the key factors to be considered regarding the separation of the businesses within the Group should a piecemeal sale of the Group be necessary, and
- Update the Estimated Outcome statements for any factors identified *which change the assumptions previously made.*

PwC engagement letter dated 13 Feb 2020 being an extension of PwC engagement letter dated 21 October 2019 with Cordant Group Plc, RBS Invoice Finance Limited, Barclays Bank PLC, Barclays Bank Ireland PLC and ABN AMRO Asset Based Finance N.V

- Prepare a Contingency Plan for the worst case scenario in the event that a sale of the whole group is not achieved

Alternative options considered by the directors before formal insolvency and by the administrators on their appointment and during the administration and the possible outcome(s) of the alternative options

The options considered and compared with the execution of a sale the business via a pre-pack administration were as follows:

- **Continuing to trade the business** outside an insolvency process and Cordant seeking to effect a successful turnaround. This was not possible as the Group's facilities had already been restricted and the invoice discounting facility would not be available after 28 February 2020. In addition, due to the lack of ongoing facilities the Group had not been able to file Group accounts by the statutory deadline, and would need to file accounts on a break up basis. Non filing of accounts had already caused suppliers to withdraw credit and customers to not offer new tenders.
- **Refinancing** of the Group. All refinancing options had previously been explored and exhausted as described in the background section above.
- **Company Voluntary Arrangement ("CVA")**. A CVA would only deal with unsecured debt and would require either the existing Lenders to continue to fund the business or new lenders to be found, neither of which were viable options for the reasons set out above.
- **Trading administration**. See below why this wasn't considered to be appropriate.
- **Liquidation / immediate shut down**. This would have resulted in significantly less value being achieved for the Group's key asset, debtors. The majority of contracts with large customers contained clauses which would allow customers to set off additional costs incurred in the event that the Group failed to honour its obligations under the contract. We considered that in the event that Cordant were unable to provide customers with ongoing requirements for facilities services and/or temporary staff, customers would make significant deductions from amounts owed.

Why it was not appropriate to trade the business and offer it for sale as a going concern during the administration

We considered that a trading administration was not appropriate for the following reasons:

- Given the market testing that had been undertaken prior to the pre-packaged sale, there was no indication to suggest that a trading period in an insolvency would result in any better outcome or offer to purchase the business than that which has been achieved;
- There was a significant risk that the uncertainty associated with a trading administration would have resulted in a material loss of temporary workers. Cordant is reliant on temporary workers to meet customer requirements and in an insolvent situation these workers would likely look for work with other recruitment organisations. This would have resulted in Cordant being unable to satisfy customer contracts, impact debtor collections and the value of the business to a potential buyer;
- 65% of Cordant's revenue is generated from its top 23 customers with two-thirds of this coming from just four customers. The uncertainty associated with a trading administration and perceived risks to continuity of service would have likely resulted in major customers seeking alternative suppliers. This would have had a significant impact on the value of the business to a potential interested party as well as debtor collections;
- Notwithstanding that a trading administration was unlikely to result in any better outcome for creditors, the quantum of professional costs that would be involved in a trading administration would be significantly higher and thereby would directly further impact net creditor returns; and

	<ul style="list-style-type: none"> • A trading administration would not have been appropriate for certain businesses due to regulatory requirements, in particular the business regulated by the Care Quality Commission ('CQC')
Whether efforts were made to consult major or representative creditors	<p>The Group has engaged extensively with the Lenders prior to and throughout the process. This is described in detail in the background section above</p> <p>The Group has also engaged with its second ranking secured creditor, Centrovail</p> <p>Alongside the major secured creditors detailed above, a week prior to the administrators contacted HMRC to inform them of the likely administration HMRC are expected to be the largest third party unsecured creditor.</p> <p>The Group has also engaged with its major customers throughout the sale process.</p>
Requests made to potential funders to fund working capital requirements	<p>In addition to the refinance processes set out above, the Group made four requests as set out in the background for an extension of the current facilities for a further 12 months</p> <p>Date of request: 27 June 2019, 2 August 2019, 29 August 2019, 3 October 2019</p> <p>Name(s) of potential funder(s): The Lenders</p> <p>Outcome: 12 month extension refused, although shorter extensions were provided as noted above in the background section</p> <p>In addition, the shareholders also confirmed that they were unable to provide any additional funding</p>
Details of registered charges with dates of creation	<p>Please see Appendix B</p>
Whether or not the business or business assets have been acquired from an insolvency practitioner within the previous two years	<p><i>Neither the business nor business assets have been acquired from an insolvency practitioner within the previous two years</i></p>

**Marketing activities
conducted by the
Company and/or
administrators**

Deloitte LLP - Sale process

The Group instructed Deloitte on 5 December 2019 to seek a buyer for the trading entities within the Group. 44 parties were identified as those parties who may be interested in purchasing some or all of the trading entities within the Group. This included 32 trade parties and 12 PE houses. Trade parties consisted of those who may be interested in the whole group and also those who may only be interested in certain "packages" of businesses. PE houses specialising in turnaround or with similar existing investments were targeted. Due to the low margin / high debt requirement of the business, Cordant did not fit the standard PE model and therefore "Vanilla" PE houses who did not already have experience in the sector were not approached.

The Deloitte sales process was led by a partner specialising in Human Capital Services, with a strong network in the sector amongst both trade and PE buyers. Due to the size of the Group and the specialist nature of the business, the administrators consider that a targeted approach undertaken by a sector expert was appropriate. In addition, PwC, as advisors to the Group also had the opportunity to review the list of potential interested parties and add any additional parties considered appropriate.

In addition to trade and PE, 11 financial institutions were contacted, leveraging off the refinancing work undertaken by FRP and PwC in 2019. These institutions were contacted with a view to linking them with trade parties and/or PE. Given the size of the Group it was considered likely that any acquirer would need to secure funding to complete a purchase and as a number of these financial institutions already had a good understanding of and expressed an interest in funding the business, matching potential purchasers with funders gave the best chance of achieving a sale in a relatively short time frame. Interested parties were however not limited to these lenders.

The administrators are satisfied that the number and type of parties approached were appropriate for the nature and size of the business.

Prior to the sale process commencing, PwC conducted a Separation Review, identifying if and how the Group could be split up and sold in "packages" in the event a sale of the whole Group was not possible. This work considered all aspects of the Group including, customer contracts, suppliers, people, licences, property, IT infrastructure, intercompany trading and central services. The Separation Review identified which businesses could more easily be sold on a standalone basis and which businesses were so heavily interdependent that separation would either not be possible or would significantly impact on value.

The administrators are satisfied that the parties approached were appropriate and reflected the most likely buyers given the issues identified in the Separation Review.

Of the 44 trade and PE parties approached 33 signed NDA's and were provided with further information. This information included an overview of the group and its activities, as well as the opportunity to access a data room containing certain financial information of the group.

In order to comply with the Forbearance timetable of sale completion by 28 February 2020, a date for indicative offers was set of 22 January 2020 and subsequently extended to 23 January 2020. Five indicative offers were received for the business and assets of all entities within the Group (the "whole group offers"). In addition 4 offers were received for parts of the Group. The whole group offers all assumed a combination of insolvent and solvent sales. Of the part offers, two were for all of the FM businesses (Cordant Security, Cordant Cleaning, Cordant Technical and Cordant Thistle), one for Cordant Cleaning only and one for the Sugarman businesses (Sugarman Group, Sugarman Australia and Sugarman Health and Wellbeing). There were no individual offers for PMP Recruitment, Cordant People, Premiere Employment Group or Core Staff Services.

Three of the whole group offers, all PE, were prioritised as these offered the best outcome for all creditors as well having an ability to transact within the time available

As the process progressed, Deloitte continued to provide information to those who had offered for only part, in the event the whole group offers fell away

During the week commencing 3 February 2020, Zelf Hussain and Rachael Wilkinson met with each of the three parties who had made offers for the whole group to discuss deal structure, consideration, status of funding and any potential need for transitional service agreements to be entered into.

A deadline for final offers, with proof of funding, was set for 12 February 2020 and subsequently extended to 13 February 2020.

Two of the parties failed to submit a bid. One formally withdrew their bid and the second continued to engage but did not subsequently submit a final offer.

In order to ensure a transaction could be completed by 28 February 2020, in w/c 17 February, negotiations commenced with the party who had submitted a final bid. That party was Twenty 20 Capital, a London & European based private investment firm with a historic focus in the UK and European Staffing and Services Sectors ("Twenty20")

There were no other whole group bidders remaining in the process and for the reasons set out above, the Twenty20 offer represented the best outcome for creditors

Due to the complexity of the transaction, in particular, three secured lenders, one being a syndicate, nine administrations, with the trade and assets being sold into numerous new entities and deferred consideration with associated security the documentation required to be drafted, negotiated and executed was vast. While by 28 February 2020, most of this had been completed, a small amount of documentation was not finalised until after court hours on 28 February 2020. That documentation was finalised over the weekend and on 2 March 2020, administrators were appointed and a pre-packaged sale of the trade and assets of the following businesses was completed to various SPV's set up by Twenty20.

- Cordant Group Plc
- Cordant People Ltd, including the sale of the shares in its wholly owned subsidiaries, Core Staff Services Ltd and Sugarman Group Ltd
- Cordant Security Ltd, including the sale of the shares in its wholly owned subsidiary Cordant Thistle Ltd
- PMP Recruitment Ltd
- Sugarman Health & Wellbeing Ltd
- Cordant Cleaning Ltd
- Cordant Technical Ltd
- Premiere Employment Group Ltd, and
- Staffgroup Ltd, including the sale of its eight wholly owned trading subsidiaries Eurostaff Group SAS, Eurostaff Group AB, Eurostaff Group AS, Earthstaff GmbH, Eurostaff Group Ltd, Eurostaff Group GmbH (Germany), Eurostaff Group GmbH (Switzerland) and Earthstaff Limited.

Valuer's details

Fixtures, Fittings and other equipment

Lambert Smith Hampton ("LSH") performed an independent valuation of fixtures, fittings and other equipment on behalf of the proposed administrators and the Group. This valuation was dated 27th February 2020 and was performed by Patrick Ditcham MRICS, Gary Harper FNAVA, Lewis McCarty and Abigail Hickman.

Leasehold interests

LSH also carried out a review of the 80 leases held by the businesses. The review was carried out by Roland Cramp BSc (Hons) MRICS and Anthony Hart BSc (Hons) MRICS.

LSH has confirmed that all valuers had the relevant experience to value assets of this nature. The valuer responsible for the overall valuations was Paul Proctor BSc MRICS who has the appropriate knowledge to oversee an instruction of this nature.

LSH confirmed their independence and that they carry appropriate professional indemnity insurance in relation to both valuations.

Valuations of the business or the underlying assets

Fixtures, fittings and other equipment

A valuation of the fixtures, fittings and other equipment owned by the businesses was undertaken LSH with the indicative valuations as shown below.

Valuations were provided on these bases in order to establish the value if the business was saved as a going concern (in situ) or assets were sold separately (ex situ)

<u>Office Furniture & Equipment</u>		
	In Situ	Ex Situ
Cordant Cleaning Limited	7,500	3,000
Cordant Security Limited	23,000	8,000
Cordant Technical Limited	5,500	3,000
Cordant People Limited	210,000	100,000
Premiere Employment Group Limited	30,000	16,000
PMP Recruitment Limited	77,500	40,000
Sugarman Health & Wellbeing Limited	25,000	13,000
Total	378,500	183,000
<u>Facilities Management Equipment</u>		
	In Situ	Ex Situ
Cordant Cleaning Limited	250,000	150,000
Cordant Security Limited	10,000	5,000
Total	260,000	155,000
<u>Motor Vehicles</u>		
	In Situ	Ex Situ
Cordant Cleaning Limited	10,500	6,500
Cordant Security Limited	17,000	13,000
PMP Recruitment Limited	14,500	5,500
Total	42,000	25,000

Leasehold interest

LSH has confirmed that there is no premium value in any of the leasehold interests

The date of the transaction

2 March 2020

The identity of the purchaser(s)

The purchaser is an SPV, Twenty20 Capital Bidco1 Ltd ("Bidco 1") controlled by Twenty20 Capital Holdings Ltd.

Bidco 1 purchased the trade and assets of Cordant Group Plc. The remaining assets were purchased by the following entities, all of which are 100% subsidiaries (directly or indirectly) of Bidco1

- 2020 A Limited purchased the trade and assets of PMP Recruitment Ltd excluding any subsidiary undertakings
- 2020 B Limited purchased the trade and assets of Premiere Employment Group Ltd excluding any subsidiary undertakings
- 2020 C Limited purchased the trade and assets (excluding shares in subsidiaries) of Cordant People Ltd
- 2020 E Limited purchased the trade and assets of Sugarman Health & Wellbeing Ltd
- 2020 F Limited purchased the trade and assets (excluding shares in subsidiaries) of Cordant Security Ltd
- 2020 G Limited purchased the trade and assets of Cordant Cleaning Ltd
- 2020 L Limited purchased the trade and assets of Cordant Technical Ltd
- 2020 T Limited purchased the assets of Staffgroup Limited, being the shares in its subsidiary undertakings as follows:
 - Eurostaff Group SAS
 - Eurostaff Group AB
 - Eurostaff Group AS
 - Earthstaff GmbH
 - Eurostaff Group Ltd
 - Eurostaff Group GmbH (Germany)
 - Eurostaff Group GmbH (Switzerland)
 - Earthstaff Limited

Twenty20 Midco 1 Limited purchased

- The entire issued share capital of Core Staff Services Ltd from Cordant People Ltd
- The entire issued share capital of Sugarman Group Ltd from Cordant People Ltd
- The entire issued share capital of Cordant Thistle Ltd from Cordant Security Ltd

Any connection between the purchaser(s) and the directors, shareholders or secured creditors of the Company or their associates

The purchaser(s) are controlled by Twenty20 Capital Holdings Ltd which has no connection with the directors, shareholders or secured creditors of the Group.

The following parties have been granted a minority shareholder interest in Twenty20 Capital Bidco Ltd:

Centrovalli Limited - secured lender to Group

Chris Keneally - director of Cordant People Ltd, Staffgroup Ltd, PMP Recruitment Ltd, Premiere Employment Group Ltd, Sugarman Health & Wellbeing Ltd, Cordant Technical Ltd, Cordant Security Ltd, Cordant Group Plc, Cordant Cleaning Ltd

Alan Connor - director of Cordant Group Plc

Ken Steers - director of Cordant Group Plc

The names of any directors, or former directors (or their associates), of the company who are involved in the management, financing, or ownership of the purchasing entity, or of any other entity into

We understand that the purchaser has reached an agreement with the following individuals to continue in a management role in the new business,

Alan Connor, Phillip Ullman, Chris Keneally, Ken Steers.

**which any of the assets
are transferred**

**Whether the directors had
given guarantees to a
prior financier**

No guarantees given.

**Whether the transaction
impacts on more than one
related company**

The transaction impacts the following entities:

Cordant Group Plc
Cordant Security Limited
Cordant Cleaning Limited
Cordant Technical Limited
Cordant People Ltd
PMP Recruitment Limited
Staff Group Limited
Premiere Employment Group Ltd
Sugarman Health and Wellbeing Ltd

**Details of the assets
involved and the nature of
the transaction**

The transaction is for the immediate sale of all the Companies' assets with the exception of tax losses, which will be transferred at a future time to the extent they are not required to mitigate the Companies' tax liabilities in their administrations.

Please see Appendix C for a breakdown of the key assets included in the sale agreement together with their allocated consideration.

**The consideration for the
transaction, terms of
payment, and any
condition of the contract
that could materially
affect the consideration**

Total Consideration is £43,593,518 plus EUR3,172,732

Please see Appendix C for a breakdown of the key assets included in the sale agreement together with their allocated consideration by entity

**Any options, buy-back
arrangements, deferred
consideration or similar
conditions attached to the
transaction**

£10m deferred consideration payable on 13 March 2020 as a bullet repayment with no conditionality. The deferred consideration is split as follows:

Cordant Security Ltd - £1m
Cordant Cleaning Ltd - £1m
PMP Recruitment Ltd - £4m
Cordant People Ltd - £1m
Premiere Employment Group Ltd - £1m
Staffgroup Ltd - £1m
Sugarman Health and Wellbeing Ltd- £1m

The administrators have been granted composite debenture and guarantee security by all of the purchasers (and the wider buyer group) in respect of the deferred consideration.

The security is as follows:

- First ranking all assets debenture security over 2020 T Limited, Eurostaff Group Ltd, Earthstaff Limited and Twenty20 Midco 2 Ltd
- First-ranking share pledges from Twenty20 Capital Midco 2 Ltd and 2020 T Limited over each of their subsidiary undertakings (and a contractual requirement for foreign security to be perfected in each relevant jurisdiction)
- Second ranking all assets debenture over all other entities in the purchasing structure.

If the sale is part of a wider transaction, a description of the other aspects of the transaction.

All aspects of the transaction are described in this document

Connected party transactions

Four connected parties have a minority interest in the purchaser

We advised the purchaser on 19 February 2020 that they should consider approaching the pre-pack pool.

The purchaser has chosen not to approach the pre-pack pool

A viability statement has not been provided by the purchaser.

The sale and the purpose of administration

Following their appointment, administrators must perform their functions with the objective of achieving the statutory purpose of the administration

The statutory purpose of administration is to achieve one of these objectives -

- a rescuing the Company as a going concern, or if that is not possible or if (b) would achieve a better result for the creditors than (a)
- b 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), or finally, if that is not possible
- c realising the Company's assets to pay a dividend to secured or preferential creditors

In general, administrators must perform their functions in the interests of the creditors of the company as a whole.

In this case, the joint administrators are pursuing objective b, as it was not possible to rescue the Companies as going concerns. The joint administrators confirm that the sale enables the statutory purpose to be achieved.

The joint administrators also confirm that the outcome was the best available for creditors as a whole in all the circumstances.

Cordant Group SIP 16 Appendix B Schedule of Security

Cordant Group PLC				
	Debtenture		20 May 2011	National Westminster Bank Plc ("Natwest")
	Debtenture		20 May 2011	RBS Invoice Finance Limited ("RBSIF")
	Cross Guarantee		22 July 2014	Natwest
	Cross Guarantee		3 March 2014	RBSIF
	Cross Guarantee		4 June 2015	RBSIF
	Cross Guarantee		4 June 2015	Barclays Bank plc ("Barclays")
	Guarantee and Indemnity		4 June 2015	Barclays
	Cross Guarantee and Fixed and Floating Charge		31 May 2016	Barclays
	Cross Guarantee		31 May 2016	RBSIF
	Cross Guarantee		3 November 2016	RBSIF
	Guarantee and Debtenture		15 August 2016	Centrovalli Limited
	Cross Guarantee		12 January 2018	RBSIF
	Cross Guarantee		12 January 2018	Natwest
	Cross Guarantee		30 January 2020	RBSIF
	Charge over Deposit		14 February 2020	Natwest
Cordant People Limited	Debtenture		20 May 2011	Natwest
	Cross Guarantee		22 July 2014	Natwest
	Debtenture		20 May 2011	RBSIF
	Cross Guarantee		3 March 2014	RBSIF
	Cross Guarantee		4 June 2015	RBSIF
	Cross Guarantee and Fixed and Floating Charge		31 May 2016	Barclays
	Cross Guarantee		31 May 2016	RBSIF
	Cross Guarantee		3 November 2016	RBSIF
	Guarantee and Debtenture		15 August 2016	Centrovalli Limited
	Cross Guarantee		12 January 2018	RBSIF
	Cross Guarantee		12 January 2018	Natwest
	Cross Guarantee		30 January 2020	RBSIF

	Charge over Deposit	14 February 2020	Natwest
PMP Recruitment Limited	Charge over Deposit	14 February 2020	RBSIF
	Debenture	20 May 2011	Natwest
	Cross Guarantee	22 July 2014	Natwest
	Debenture	20 May 2011	RBSIF
	Cross Guarantee	3 March 2014	RBSIF
	Cross Guarantee	4 June 2015	RBSIF
	Cross Guarantee and Fixed and Floating Charge	31 May 2016	Barclays
	Cross Guarantee	31 May 2016	RBSIF
	Cross Guarantee	3 November 2016	RBSIF
	Guarantee and Debenture	15 August 2016	Centrovalli Limited
Premiere Employment Group Limited	Cross Guarantee	12 January 2018	RBSIF
	Cross Guarantee	12 January 2018	Natwest
	Cross Guarantee	30 January 2020	RBSIF
	Charge over Deposit	14 February 2020	Natwest
	Charge over Deposit	14 February 2020	RBSIF
	Debenture	20 May 2011	Natwest
	Cross Guarantee	22 July 2014	Natwest
	Debenture	20 May 2011	RBSIF
	Cross Guarantee	3 March 2014	RBSIF
	Cross Guarantee	4 June 2015	RBSIF
Sugarman Group International PTY Limited	Cross Guarantee and Fixed and Floating Charge	31 May 2016	Barclays
	Cross Guarantee	31 May 2016	RBSIF
	Cross Guarantee	3 November 2016	RBSIF
	Guarantee and Debenture	15 August 2016	Centrovalli Limited
	Cross Guarantee	12 January 2018	RBSIF
	Cross Guarantee	12 January 2018	Natwest
	Cross Guarantee	30 January 2020	RBSIF
	Charge over Deposit	14 February 2020	Natwest
	Charge over Deposit	14 February 2020	RBSIF
	Australian General Security Deed	3 November 2016	RBSIF
Cordant Security Limited	Cross Guarantee	3 November 2016	RBSIF
	Cross Guarantee	12 January 2018	RBSIF
	Cross Guarantee	30 January 2020	RBSIF
	Debenture	20 May 2011	Natwest
	Debenture	20 May 2011	RBSIF

	Cross Guarantee	22 July 2014	Natwest
	Cross Guarantee	3 March 2014	RBSIF
	Cross Guarantee	4 June 2015	RBSIF
	Cross Guarantee and Fixed and Floating Charge	31 May 2016	Barclays
	Cross Guarantee	31 May 2016	RBSIF
	Cross Guarantee	3 November 2016	RBSIF
	Guarantee and Debenture	15 August 2016	Centrovalli Limited
	Cross Guarantee	12 January 2018	RBSIF
	Cross Guarantee	12 January 2018	Natwest
	Cross Guarantee	30 January 2020	RBSIF
Cordant Cleaning Limited	Charge over Deposit	14 February 2020	Natwest
	Charge over Deposit	14 February 2020	RBSIF
	Cross Guarantee	22 July 2014	Natwest
	Debenture	20 May 2011	Natwest
	Debenture	20 May 2011	RBSIF
	Cross Guarantee	3 March 2014	RBSIF
	Cross Guarantee	4 June 2015	RBSIF
	Cross Guarantee and Fixed and Floating Charge	31 May 2016	Barclays
	Cross Guarantee	31 May 2016	RBSIF
	Cross Guarantee	3 November 2016	RBSIF
	Guarantee and Debenture	15 August 2016	Centrovalli Limited
	Cross Guarantee	12 January 2018	RBSIF
	Cross Guarantee	12 January 2018	Natwest
	Cross Guarantee	30 January 2020	RBSIF
	Charge over Deposit	14 February 2020	Natwest
	Charge over Deposit	14 February 2020	RBSIF
Cordant Technical Limited	Cross Guarantee	4 June 2015	RBSIF
	Debenture	4 June 2015	RBSIF
	Scottish Floating Charge	4 June 2015	RBSIF
	Cross Guarantee and Fixed and Floating Charge	31 May 2016	Barclays
	Cross Guarantee	31 May 2016	RBSIF
	Cross Guarantee	3 November 2016	RBSIF
	Guarantee and Debenture	15 August 2016	Centrovalli Limited
	Scottish Floating Charge	12 January 2018	Natwest
	Cross Guarantee	12 January 2018	Natwest
	Cross Guarantee	12 January 2018	RBSIF

Staffgroup Limited	Cross Guarantee	30 January 2020	RBSIF
	Cross Guarantee	4 June 2015	RBSIF
	Debenture	4 June 2015	RBSIF
	Share Pledge ¹	10 June 2015	(1) The Royal Bank of Scotland (2) Barclays (3) Natwest (4) RBSIF
	Cross Guarantee and Fixed and Floating Charge	31 May 2016	Barclays
	Cross Guarantee	31 May 2016	RBSIF
	Cross Guarantee	3 November 2016	RBSIF
	Guarantee and Debenture	15 August 2016	Centrovalli Limited
	German Share Pledge Agreement	9 November 2017	ABN Amro Commercial Finance PLC and ABN Amro Commercial Finance GmbH
	Debenture	12 January 2018	ABN Amro Asset Based Finance N.V. UK Branch ("ABN Asset")
	Cross Guarantee	12 January 2018	RBSIF
	Financial Instrument Pledge Agreement	30 January 2020	RBSIF
	Share pledge	30 January 2020	RBSIF
	Share pledge ²	30 January 2020	RBS (as security agent for RBSIF)
	Cross Guarantee	30 January 2020	RBSIF

¹ ES: German governed share pledge that will be released at completion by a German deed of release – German counsel are instructed on drafting this

² ES: non-term loan related security and therefore, not yet released. Security held by RBS (as security agent for RBSIF) due to Norwegian law requirements – will be released as at completion

Cordant Group SIP 16 Appendix C Analysis of Consideration - Sterling

	Shares in Subsidiary Undertakings	Debtors	Fixtures, Fittings & Equipment	Motor Vehicles	The Business	Good will	The Properties	The Records	The Business Intellectual Property	The Bond Documents	The Stock	The Contracts	The Computer Systems	Total
Cordant Group PLC	-	-	-	-	£1	£1	-	£1	£1	£299,994	-	£1	£1	£300,000
Cordant People Ltd	£1,703,067	£4,282,823	£100,000	-	£1	£1	£1	£1	£1	-	£1	£1	£1	£6,085,898
Cordant Security Ltd	£200,000	£8,235,981	£13,000	£13,000	£1	£1	£1	£1	£1	£1	£1	£1	£1	£8,451,990
PMP Recruitment Limited	-	£15,634,886	£40,000	£5,500	£1	£1	£1	£1	£1	-	£1	£1	£1	£15,680,394
Sugarman Health & Wellbeing Ltd	-	£1,269,709	£13,000	-	£1	£1	£1	£1	£1	-	£1	£1	£1	£1,282,717
Cordant Cleaning Ltd	-	£5,352,151	£153,000	£6,500	£1	£1	£1	£1	£1	-	£1	£1	£1	£5,511,659
Cordant Technical Ltd	-	£334,538	£3,000	-	£1	£1	£1	£1	£1	-	£1	£1	£1	£337,546
Premiere Employment Group Ltd	-	£3,441,093	£16,000	-	£1	£1	£1	£1	£1	-	£1	£1	£1	£3,457,101
Staffgroup Ltd	£2,776,213	-	-	-	-	-	-	-	-	-	-	-	-	£2,776,213
Total	£4,679,280	£38,561,181	£338,000	£25,000	£8	£8	£7	£8	£8	£299,995	£7	£8	£8	£43,893,518

Euro Consideration

Additional consideration of EUR 3,172,732 was received in respect of the sale of shares in subsidiary undertakings by Staffgroup Ltd