

ISG Central Services Limited
(in Administration) (“the Company”)

Joint Administrators’ fee estimate and details of expenses

Pursuant to Rule 18.16(4) of the Insolvency (England & Wales) Rules 2016

29 May 2025

ISG Central Services Limited (in Administration) (“the Company”)

Estimate of remuneration to be charged

The Joint Administrators are seeking approval for their remuneration to be fixed on a time cost basis. In accordance with Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016 (“the Rules”), they set out below their estimate of remuneration to be charged.

The estimated remuneration for the Administration is £3,987,671 plus VAT. An explanation of how this sum has been arrived at is set out below and a breakdown of the expected costs of the Company, which is also required under Rule 18.16(4) of the Rules, can be found in Appendix A.

The Joint Administrators have determined that certain recharges would need to be applied to each of ISG Central Services Limited, ISG Construction Limited, ISG Engineering Services Limited, ISG Fit Out Limited, ISG Interior Services Group UK Limited, ISG Jackson Limited, ISG Retail Limited and ISG UK Retail Limited (“the Companies”), given the benefit received by some of the entities as a result of certain activities carried out by the Joint Administrators. Details and the basis of these recharges can be found at Appendix B.

Please note that the estimate of remuneration may not reflect what the Joint Administrators will actually be paid in respect of the Administration. The extent to which the Joint Administrators recoup these fees will be based on the level of asset realisations and obtaining agreement from creditors as required.

Explanation of the work undertaken to date and proposed to be undertaken

The work undertaken can be categorised as either required by the Joint Administrators to fulfil their statutory duties pursuant to the Insolvency Act 1986 and the Rules or to realise assets for the benefit of creditors. Where work is stated to be expected to provide a financial benefit to creditors, please refer to this section of the fee estimate which deals with the estimated outcome for creditors. At this stage in the Administration, it is not possible to quantify the estimated benefit more precisely.

Category of work	Description of work
Accounting & Administration	Tasks providing a direct benefit to creditors: <ul style="list-style-type: none">• Investing of estate funds and maintaining cash controls• Calculation and completion of necessary recharges between entities• Weekly time cost monitoring required for statutory reporting• Delivering the strategy of the Administration and updating the team regarding progress
	Tasks providing an indirect benefit to creditors: <ul style="list-style-type: none">• General administrative duties and overall management of the case, such as filing and maintaining the Joint Administrators’ accounting records and statutory compliance diaries• Management of the Company’s cash flow• Treasury and accounting functions including processing all receipts and payments, as well as bank account reconciliations• Updating the Insolvency Practitioner’s accounting software to reflect the transactions in the case

Banking & Statutory Reporting	<p>Tasks providing a direct benefit to creditors:</p> <ul style="list-style-type: none"> • Liaising with the Company's bankers to secure the release of cash held in pre-appointment bank accounts <p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Preparation and delivery of the Joint Administrators' proposals and delivery to 116 creditors and Companies House • Preparation and delivery of the Joint Administrators' fee estimate • Treasury and accounting functions e.g. opening bank accounts, preparing bank reconciliations, posting transactions • Preparation of six-monthly progress reports and delivery to 116 creditors and Companies House • Preparation of final progress report, in respect to finalising and concluding the Administration and delivery to 116 creditors and Companies House • Preparation of estimated outcome statements, including cash flow updates
Creditors	<p>Tasks providing a direct benefit to creditors:</p> <ul style="list-style-type: none"> • Receipt and input of creditor information into the case management system • Corresponding with creditors and answering specific creditor queries in relation to the Administration • Dealing with claimants who may have third party rights against the Company's insurers • Adjudicating preferential creditor claims and distributing funds to preferential creditors with admitted claims as required • Responding to requests for confirmation of amounts outstanding from creditors regarding credit insurers/brokers <p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Notifying all known creditors and suppliers of the Joint Administrators' appointment and inviting creditors to lodge claims through issuing proof of debt ('POD') forms • Collating frequently asked questions, for creditors, for publishing on the Joint Administrators' website and updating these as required as the Administration progresses • Tracking, monitoring, logging and responding to creditors' queries on an ongoing basis, notably: <ul style="list-style-type: none"> ○ Queries regarding the payment of outstanding debts ○ Offering alternative methods for creditors without a unique ID to make a claim • Dealing with pre-appointment personal injury and other legal claims and associated correspondence • Liaising with insurers re the same
Data Preservation	<p>Tasks providing a direct benefit to creditors:</p> <ul style="list-style-type: none"> • Recovery of the Company's electronic records relating to debtor balances (including a back-up of the Company's servers and systems) to support ongoing pursuit of contract and debtor recoveries • Preserving data and imaging devices to assist with the Administration strategy • Review of the services provided to the Company and negotiating continuity of supply with key suppliers for a limited period where required • Assessment of the IT interdependencies across the wider group and corresponding with the international offices with respect to the transfer of data and/or provision of services

	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Review of the Company's data platforms and wider IT infrastructure in order to make an assessment of data held by the Company • Collection of the equipment and imaging of books and records held on SharePoint sites, IT servers, mobile phones and laptops, by current and former employees of the Company, in line with the Joint Administrators' statutory duties • Arranging for the disposal and termination of certain infrastructure, devices and services (both locally and across the wider network) to ensure that no data is lost or inadvertently acquired by third parties.
Debtors	<p>Tasks providing a direct benefit to creditors:</p> <ul style="list-style-type: none"> • Investigations into debtor positions, including review of supporting information and schedules per the Company's books and records • Discussions with the Company's retained staff regarding amounts due per the above • Oversight and instruction of the Company's debtor recovery team • Certain debtor specific finance tasks, including the issue of invoices to customers and reconciliation of debtor balances received • Engagement and correspondence with customers in respect of debt recoveries • Agreement and execution of settlement agreements with certain customers • Negotiating and entering into agreements with third parties in respect of intercompany receivables owing from overseas entities to the Company to enhance recoveries from debts owed by other group entities <p>Tasks providing a direct benefit to creditors:</p> <ul style="list-style-type: none"> • Holding employee briefing sessions for retained employees following the appointment to assist with debtor book recoveries and with employees who provided the infrastructure to enable this to happen <p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Organisation and delivery of 14 rounds of redundancies for 375 employees and providing the requisite paperwork to employees both electronically and via post • Liaising with Redundancy Payment Service ('RPS') and Department for Work & Pensions to ensure relevant information is provided to employees • Collating employee entitlement information for all employees and facilitating access to this information for the RPS • Calculating and providing the requisite claim information to the RPS via the RP14s and RP14As • Engagement with former employees to advise their claim calculations per their employer's records • Preparation and issue of employee frequently asked question responses to redundant and retained employees • Response to a significant number of employee enquiries in relation to their claim, including bonus queries; number of days of holiday accrued and untaken; and monies owed to the Company. Including liaison with RPS as to validity of claims • Updating the RPS with revised RP14As • Preparation of RP15 and RP15A for the pension provider and discussions with the RPS on what can be claimed • Daily calls with the HR and payroll teams • Organising the issuance of P45s to 375 employees
Employee Matters	

	<ul style="list-style-type: none"> • Dealing with a significant number of Protective Award claims and providing consent and updating the Tribunals as such • Reviewing and organising payment of payroll and ongoing benefits for retained employees • Reviewing and checking the re-run of the Company's September payroll. • Advising the employees of the re-run and the impact on their RPS payments. Re-issuing the re-run P45s • Updating the RPS as to the revised Employer Owed figure
Immediate Tasks	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Initial management of the case, treasury and accounting functions and statutory compliance diaries • Monitoring internal systems and records in line with statutory requirements • Completion of workstreams requiring immediate attention following the appointment as required by statute, e.g. speaking with the Company's directors, issuing correspondence notifying of appointment, collating information and carrying out other initial activities to execute the strategy • Taking steps to enable the immediate wind down of operations
Investigations & CDDA	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders" • Issuing questionnaires to both current directors and former directors who resigned within 3 years of appointment and reviewing the same • Preparation of the Joint Administrators' submission on the conduct of the directors under the Company Directors Disqualification Act 1986 • Submission of the Joint Administrators' report on the conduct of the directors under the Company Directors Disqualification Act 1986 to the Insolvency Service • Filings with Companies House
Job Acceptance & Strategy	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Matters relating to the appointment and initial planning of the Administration strategy, including meetings with the Company's directors, preparation and review of Court appointment documentation and attendance at Court • Various key leadership strategy meetings between the Joint Administrators to monitor the progress of the Administration • Considering exit routes from Administration and then implementing the most appropriate route
Legal Issues	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> • Liaising with the Joint Administrators' appointed legal advisors (Pinsent Masons LLP) in connection with live legal matters, appointment matters, compliance with statutory duties and in respect of aspects relating to asset recoveries • Dealing with any ad hoc legal issues which may arise during the course of the Administration • Discussion with the Joint Administrator's lawyers regarding claims against the Company
Other Assets	<p>Tasks providing a direct benefit to creditors:</p> <ul style="list-style-type: none"> • Realising value from the Company's residual assets, including chattel assets and fixtures and fittings at leasehold premises • Liaising with third party agents to collect IT equipment owned by the Company from various sites with a view to realising those assets

	<ul style="list-style-type: none"> Realising value from the Company's intercompany receivable positions and recoveries of rates from overpayment of utilities paid during the Company's course of trade
Other Matters	<p>Tasks providing a direct benefit to creditors:</p> <ul style="list-style-type: none"> Initial contract claim discussions to understand the likelihood of recovery of the amounts owed <p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> Recovery of the Company's physical books and records from external storage facilities
Public Relations	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> Agreeing and issuing statements to the press as required in pursuit of the strategy Discussions with various external stakeholders
Property	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> Dealing with all matters relating to the Company's six non-residential leasehold properties, including correspondence with landlords, security firms and utility suppliers Liaising with the landlord of the Company's head office in respect of ongoing lease costs Attending leasehold properties to inspect books and records and potential saleable assets Collection of the Company's physical books and records and arranging their ongoing storage and destruction as required Recovery of rent owed by subtenants of retained leasehold properties Exit of all property leases held by the Company
Statutory Duties	<p>Tasks providing an indirect benefit to creditors:</p> <ul style="list-style-type: none"> Completion of statutory requirements of the Insolvency Act 1986 and Statements of Insolvency Practice, including notifications to creditors and members, advertising the Joint Administrators' appointment and submitting the necessary filings at Companies House Requesting and obtaining the Statement of Affairs from the directors of the Companies and filing with Companies House Ensuring adequate insurance in place (Insolvency Practitioners' bond) Ongoing review of the Administration strategy, including updating checklists and performing formal file reviews
Trading	<p>Tasks providing a direct benefit to creditors:</p> <ul style="list-style-type: none"> Review of the services provided to the Company and assessing the need for continuity of supply for a limited period Supplier management including: <ul style="list-style-type: none"> Negotiating key supplier trading terms and providing letters of undertaking where appropriate Review and approval of payments for critical suppliers Liaising with suppliers of hired equipment at leasehold properties Arranging and facilitating return of consignment items and other third party equipment items (where appropriate) Managing the withdrawal of the abovementioned undertakings as required Engagement with those suppliers who have been issued letters of undertaking Identifying and pursuing recovery positions in terms of business rates, utilities and pre-payments

VAT & Taxation	Tasks providing a direct benefit to creditors:
	• Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists
	• Submitting relevant notifications to HMRC
	• Assessment of the VAT and tax treatments of transactions and agreements entered into during the Administration

Details of expenses incurred and anticipated to be incurred

Expenses comprise sums paid or to be paid to third parties and sums paid or payable to the Joint Administrators' firm in respect of out of pocket expenses and costs which include an element of shared or allocated costs. Expenses incurred or expected to be incurred are £2,990,107 plus VAT, comprising both pre-administration costs and expenses of the Administration.

Category of expense	Estimated cost (£)
Expenses	2,941,074
Category 1 disbursements	48,688
Category 2 disbursements	345
Total expenses	2,990,107

Expenses

An explanation of the expenses both incurred and anticipated to be incurred is set out below.

Category of expense	Description of expenses	Estimated costs (£)
Employee costs and expenses	• Wages and associated costs in connection with retained employees (including National Insurance, pension, PAYE and reasonable travel expenses)	976,914
IT & Finance systems	• Charges associated with the operation of the Company's IT and finance systems (i.e. software)	1,670,762
Insurance	• Costs to insure the Company's assets and operations during the Administration period	12,121
Legal and other professional fees	• Legal advice regarding such matters required to maximise realisations from the Company's estate and to advise on matters that are required by statute	70,864
Rent & rates	• Rent, business rates and utility costs in connection with premises occupied by the Company during the Administration	130,820
Storage	• Costs to arrange collection and storage of the Company's physical books and records	74,086
Sundry expenses	• Other expenses not elsewhere classified	5,507
Total estimated expenses		2,941,074

Disbursements

Disbursements comprise sums paid or to be paid to third parties or payable to the Joint Administrators' firm in respect of out-of-pocket expenses and costs which include an element of shared or allocated costs.

Category 1 disbursements

Category 1 disbursements are defined as specific expenditure met by and reimbursed to the office holder's firm, relating to the administration of the insolvent's affairs and referable to payment to an independent third party.

Disbursement	Description of disbursement	Estimated costs (£)
Accommodation costs	Costs incurred by the Joint Administrators and their staff in respect of their work on the Administration, whilst operating from or attending various sites operated by the Company or third parties	14,799
IT costs	Costs associated with the preservation and continuation of the Company's data and IT systems	20,689
Postage, photocopying and printing	Third party costs incurred by the Joint Administrators in respect of printing and posting written communications to creditors, shareholders and other stakeholders (as required)	8,804
Specific Bond	A form of insurance required by insolvency law	2,055
Travel costs	Costs incurred by the Joint Administrators and their staff in respect of their work on the Administration to travel to various sites operated by the Company or third parties (excluding mileage costs)	2,341
Total		48,688

Category 2 disbursements

Category 2 disbursements are expenses which are directly referable to the appointment but are not payments to an independent third parties. They may include shared and allocated costs.

Disbursement	Description of disbursement	Estimated costs (£)
Mileage	Costs relating to travel by vehicle directly related to work on the Administration	345
	Current mileage rates are: <ul style="list-style-type: none"> - 45p/mile for staff below manager using their own cars - 18p/mile (non-electric vehicle) for managers and above using their own car or a company car - 20p/mile (electric vehicle) for managers and above using their own car or a company car 	
Total		345

Exceeding estimates of remuneration and expenses

These estimates may be exceeded, in which case an explanation will be provided in the appropriate progress report. The Joint Administrators will only draw remuneration in excess of the estimate with the prior agreement of the relevant approving body, in accordance with Rule 18.30 the Rules.

Pre-administration costs

The Joint Administrators are seeking approval for payment of unpaid pre-administration costs totalling £144,688 plus VAT. The payment of unpaid pre-administration costs as expenses of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Proposals, which were subject to approval under paragraph 53 of Schedule B1 to the Insolvency Act 1986. This means that unpaid pre-administration costs must be approved separately from the Proposals.

EY was engaged by ISG Limited and its subsidiaries, under an engagement agreement dated 3 September 2024, to undertake contingency planning ahead of potential administration appointments over several group entities. An extension of scope to include sell side advisory services to the group dated 11 September 2024, was also agreed.

The work undertaken for the Company pre-appointment related to the following:

- Sell side advisory services including preparation of sales materials, identifying potential purchasers and coordinating due diligence and Q&As with potential purchasers;
- Commenting on the key factors affecting which group companies are to be placed into an insolvency process;
- Commenting on factors affecting the ability of the group companies to trade within a formal insolvency process and the nature and timing of key cash requirements;
- Reviewing the group's cashflow forecast and applying corresponding sensitivities based on the latest information made available to enable the preparation of an illustrative potential funding need that might be required to trade within a formal insolvency process;
- Setting out the relative merits and disadvantages of potential strategies that could be pursued by an insolvency officeholder in a formal insolvency, in particular potential strategies for the realisation of the key assets of the group. Setting out key issues and risks in relation to those potential strategies;
- Preparing illustrative outcome statements in a theoretical insolvency scenario, to include potential returns to different classes of creditors;
- Making recommendations as to further information that could be sought or further work that could be carried out, either by us or any third party in order to improve understanding of the potential implications of a formal insolvency;
- Evaluating issues, which appeared to us to be material, in order that insolvency officeholders of Ernst & Young LLP were in a state of reasonable preparation to accept formal insolvency appointments to one or more group companies;
- Formulating the administration strategy, including meetings with key stakeholders to review and agree on approach and timeline;
- Briefing engagement staff on the administration strategy and corresponding workstreams;
- Discussions with management immediately prior to appointment regarding the core team of staff to be retained to assist the Joint Administrators with their strategy for the business;
- Reviewing and preparing documents for appointment, including consents to act and associated documents;

- Preparing documents to be issued and delivered to employees, media, customers and suppliers immediately following the appointment, including scripts for employee meetings, press releases and communications to customers and suppliers; and
- Liaising with the group's legal advisers regarding the potential appointment of the Joint Administrators.

The below table summarises the Joint Administrators' statement of pre-administration remuneration. As the work carried out prior to the appointment of the Joint Administrators related entirely to all eight ISG group companies which were subsequently placed into administration, the remuneration incurred has been allocated to the Company on a pro-rated basis, as per the Proposals dated 14 November 2024.

Category 1 expenses are defined as specific expenditure met by and reimbursed to the Joint Administrators' firm, relating to the Administrations of the insolvents' affairs and referable to payment to an independent third party. £nil has been paid to date.

	Remuneration (£)	Category 1 Disbursements (£)
ISG Central Services Limited	143,155	
ISG Construction Limited	104,812	
ISG Engineering Services Limited	38,847	
ISG Fit Out Limited	60,134	
ISG Interior Services Group UK Limited	36,387	
ISG Jackson Limited	5,131	
ISG Retail Limited	67,258	
ISG UK Retail Limited	9,215	
Category 1 disbursements		4,980
Total costs incurred	464,939	4,980
<u>Paid before the administration</u>		
Time costs	Nil	Nil
Unpaid pre-administration costs	464,939	4,980
Attributable to ISG Central Services Limited	143,155	1,533

Legal expenses incurred prior to the Joint Administrators' appointment

The following third-party, pre-appointment legal expenses were incurred by the Joint Administrators:

Pinsent Masons LLP provided legal advice to the Joint Administrators in connection with:

- The work carried out by the Joint Administrators, as set out above; and
- Preparing for the Administration appointments and associated documentation.

	Remuneration (£)	Disbursements (£)
Legal fees	41,603	66,067
Total costs incurred	41,603	66,067
<u>Paid before the administration</u>		
Legal fees	Nil	Nil
Unpaid pre-administration legal fees	41,603	66,067
Attributable to ISG Central Services Limited	5,200	8,258

The legal fees detailed above relate to unbilled costs incurred by Pinsent Masons LLP prior to the Joint Administrators' appointment but pertaining to their appointment. This sum will be split evenly between all eight companies.

The majority of Pinsent Masons LLP's legal disbursements are made up of Counsel and Court fees necessary to make the application to Court for the Administration Orders.

Estimated returns to creditors

As detailed in Section 4 of the Joint Administrators' proposals, the vast majority of the assets of the Company are subject to the floating charges of the Company's secured creditor. Recoveries from both floating charge assets and uncharged assets will not exceed the debt of the preferential creditors. As such, it is not anticipated that there will be a return to the floating charge holder as secured creditor, nor any unsecured creditors as a result.

We estimate the returns to creditors as follows:

Creditor category	Estimated return to creditors (p/£)
Primary preferential creditors	100p/£
Secondary preferential creditors	0.1 to 11.2p/£
Unsecured creditors	Nil

Appendix A: ISG Central Services Limited (in Administration)

Estimated remuneration

The Joint Administrators remuneration breakdown from 20 September 2024 to completion of the Administration is as follows:

Joint Administrators' remuneration prior to application of estimated recharges										Total Hours Post-Recharges (£)	Total Cost Post-Recharges (£)
	Partner (Hrs)	Director (Hrs)	Assistant Director (Hrs)	Manager (Hrs)	Executive (Hrs)	Analyst (Hrs)	Total Hours	Total Cost (£)	Avg. Rate (£)		
Accounting & Administration	21.7	49.0	54.7	214.6	126.5	79.2	545.6	351,940	645.01	126.3	81,511
Bank & Statutory Reporting	23.0	54.8	47.5	254.1	86.7	105.1	571.1	370,657	649.01	256.6	166,232
Creditors	2.0	22.6	8.9	41.2	3.7	19.7	98.0	67,518	688.61	98.2	67,593
Data Preservation	78.6	217.0	270.8	697.8	414.7	195.1	1,874.0	1,255,005	669.69	187.8	125,759
Debtors	33.5	32.5	-	19.5	4.0	13.3	102.8	83,206	809.40	82.6	66,953
Employee Matters	17.7	204.4	6.9	189.5	97.8	0.9	517.1	386,413	747.30	531.3	396,672
Environmental Issues	-	-	0.5	-	-	-	0.5	398	795.00	0.5	398
Immediate Tasks	9.0	4.5	1.5	5.0	-	8.5	28.5	21,008	737.11	19.4	14,663
Investigation & CDDA	33.8	16.6	105.1	122.6	228.1	48.8	555.0	349,420	629.62	67.8	41,467
Legal Issues	4.7	-	-	-	-	-	4.7	4,677	995.00	0.6	597
Other Assets	12.0	23.9	-	59.4	-	1.0	96.3	75,009	778.90	58.1	45,274
Other Matters	13.8	-	9.0	30.1	-	1.0	53.9	42,201	782.94	57.7	45,265
Property	5.5	55.6	-	77.2	18.1	7.1	163.5	120,653	737.94	90.4	63,246
Public Relations Issues	8.4	2.2	3.6	-	-	-	14.2	13,189	928.80	-	-
Statutory Duties	52.8	49.1	32.1	109.1	24.0	54.7	321.8	231,304	718.78	90.0	63,145
Team Calls	39.9	37.7	98.9	202.3	64.6	13.6	457.0	330,015	722.13	45.7	33,002
Trading	2.0	24.8	89.3	179.7	33.3	17.9	347.0	243,625	702.09	144.3	100,083
VAT & Taxation	2.7	38.0	-	2.8	1.3	5.3	50.2	41,436	826.08	23.2	19,300
Total Hours	361.1	832.6	728.8	2,204.8	1,102.8	571.1	5,801.2			1,880.6	
Total Cost (£)	359,279	745,199	579,358	1,532,362	545,885	225,588		3,987,671			1,331,156
Avg. Hourly Rate (£)	995.00	895.00	795.00	695.00	495.00	395.00		687.39			

For further information regarding recharges, please refer to Appendix B.

Appendix B: Group recharges in the administrations

This section pertains to all of ISG Central Services Limited, ISG Interior Services Group UK Limited, ISG Fit Out Limited, ISG Engineering Services Limited, ISG UK Retail Limited, ISG Retail Limited, ISG Construction Limited and ISG Jackson Limited (together “the Companies”).

Background

Prior to the appointment of the Joint Administrators, contingency planning was undertaken, and the possibility of administration appointments was evaluated to leverage the protections afforded by the administration moratorium. The target entities were identified based on their potential to maximise realisations, manage property leases, address employee matters and mitigate issues for customers.

The appointments encompassed all contracting entities, including ISG Construction Limited, ISG Engineering Services Limited, ISG Fit Out Limited and ISG Retail Limited, as well as those companies providing business support, namely ISG Central Services Limited, ISG Interior Group Services UK Limited, ISG Jackson Limited and ISG UK Retail Limited.

It was deemed essential to secure the protections of the moratorium primarily to enable the Joint Administrators to evaluate options aimed at maximising debtor recoveries. Specifically, the moratorium protections were necessary for ISG Jackson Limited and ISG UK Retail Limited, as these entities held property leases which would facilitate the short-term wind-down of the Companies.

The appointments of the eight entities allowed for the management of all employees and leasehold interests while simultaneously gaining control over significant cash and debtor balances that are being recovered for the benefit of preferential creditors.

Basis for recharges between companies

Although all entities were placed into Administration, it was anticipated that certain of the Companies would yield minimal asset recoveries beyond cash, intercompany receivable balances and specific trading prepayments. It was expected that ISG Interior Services Group UK Limited, ISG Jackson Limited and ISG UK Retail Limited would have limited realisations available to fund the Administrations, whilst ISG Central Services Limited would continue to operate as a central group function and incur costs on behalf of other entities.

Accordingly, it was determined that costs incurred in these service companies would be recharged to the other companies in the Group that have benefitted from the services.

The following entities have incurred costs of realisation on behalf of other entities in the administrations – with corresponding recharges necessary to reflect this:

- ***ISG Central Services Limited***

This entity served as the central group function and has incurred costs in relation to data preservation (in support of asset realisations in other entities along with data preserved for statutory requirements), retained leasehold properties and the overall management of the group. This includes employee costs, third-party costs and the Joint Administrators' remuneration.

The remuneration charged by the Joint Administrators will be reapportioned by category of work in accordance with the below table.

	ISG Central Services Limited	ISG Construction Limited	ISG Engineering Services Limited	ISG Fit Out Limited	ISG Retail Limited	ISG Interior Services Group UK Limited	ISG Jackson Limited	ISG UK Retail Limited
Accounting & Administration	(80%)	20%	20%	20%	20%	0%	0%	0%
Bank & Statutory Reporting	(60%)	15%	15%	15%	15%	0%	0%	0%
Data Preservation	(90%)	23%	23%	23%	23%	0%	0%	0%
Debtors	(20%)	5%	5%	5%	5%	0%	0%	0%
Immediate Tasks	(40%)	10%	10%	10%	10%	0%	0%	0%
Investigation & CDDA	(90%)	23%	23%	23%	23%	0%	0%	0%
Legal Issues	(100%)	25%	25%	25%	25%	0%	0%	0%
Other Assets	(40%)	10%	10%	10%	10%	0%	0%	0%
Property	(60%)	15%	15%	15%	15%	0%	0%	0%
Public Relations Issues	(100%)	25%	25%	25%	25%	0%	0%	0%
Statutory Duties	(80%)	20%	20%	20%	20%	0%	0%	0%
Trading	(60%)	15%	15%	15%	15%	0%	0%	0%
VAT & Taxation	(60%)	15%	15%	15%	15%	0%	0%	0%

- ISG Interior Services Group UK Limited**

This entity was placed into administration to allow the Joint Administrators to assume control of the employees which supported all of the trading entities and the central group function. All costs incurred in this entity will be recharged to ISG Central Services Limited, ISG Construction Limited, ISG Engineering Services Limited, ISG Fit Out Limited and ISG Retail Limited equally, as illustrated below. This includes employee costs, third party costs and Joint Administrators' remuneration.

	ISG Central Services Limited	ISG Construction Limited	ISG Engineering Services Limited	ISG Fit Out Limited	ISG Retail Limited	ISG Interior Services Group UK Limited	ISG Jackson Limited	ISG UK Retail Limited
Accounting & Administration	20%	20%	20%	20%	20%	0%	(100%)	0%
Bank & Statutory Reporting	20%	20%	20%	20%	20%	0%	(100%)	0%
Creditors	20%	20%	20%	20%	20%	0%	(100%)	0%
Data Preservation	20%	20%	20%	20%	20%	0%	(100%)	0%
Debtors	20%	20%	20%	20%	20%	0%	(100%)	0%
Employee Matters	3%	20%	27%	71%	20%	0%	(100%)	0%
Immediate Tasks	20%	20%	20%	20%	20%	0%	(100%)	0%
Investigation & CDDA	20%	20%	20%	20%	20%	0%	(100%)	0%
Legal Issues	20%	20%	20%	20%	20%	0%	(100%)	0%
Other Assets	20%	20%	20%	20%	20%	0%	(100%)	0%
Other Matters	20%	20%	20%	20%	20%	0%	(100%)	0%
Property	20%	20%	20%	20%	20%	0%	(100%)	0%
Statutory Duties	20%	20%	20%	20%	20%	0%	(100%)	0%
Trading	20%	20%	20%	20%	20%	0%	(100%)	0%
VAT & Taxation	20%	20%	20%	20%	20%	0%	(100%)	0%

- ISG Jackson Limited**

This entity has incurred property costs in respect of the site in Ipswich which served as a central hub for the Group's IT infrastructure, as well as related Joint Administrators' costs and legal costs. These costs will be recharged to ISG Central Services Limited, ISG Construction Limited, ISG Engineering Services Limited, ISG Fit Out Limited and ISG Retail Limited equally, as illustrated below.

	ISG Central Services Limited	ISG Construction Limited	ISG Engineering Services Limited	ISG Fit Out Limited	ISG Retail Limited	ISG Interior Services Group UK Limited	ISG Jackson Limited	ISG UK Retail Limited
Accounting & Administration	20%	20%	20%	20%	20%	0%	(100%)	0%
Bank & Statutory Reporting	20%	20%	20%	20%	20%	0%	(100%)	0%
Creditors	20%	20%	20%	20%	20%	0%	(100%)	0%
Debtors	20%	20%	20%	20%	20%	0%	(100%)	0%
Employee Matters	20%	20%	20%	20%	20%	0%	(100%)	0%
Immediate Tasks	20%	20%	20%	20%	20%	0%	(100%)	0%
Investigation & CDDA	20%	20%	20%	20%	20%	0%	(100%)	0%
Other Matters	20%	20%	20%	20%	20%	0%	(100%)	0%
Property	20%	20%	20%	20%	20%	0%	(100%)	0%
Statutory Duties	20%	20%	20%	20%	20%	0%	(100%)	0%
Trading	20%	20%	20%	20%	20%	0%	(100%)	0%
VAT & Taxation	20%	20%	20%	20%	20%	0%	(100%)	0%

- **ISG UK Retail Limited**

The Joint Administrators were appointed as Administrators to ISG UK Retail Limited to ensure control of the leasehold premises from which ISG Retail Limited operated from which was required for the short-term wind-down of the Retail trading entity. All costs incurred in the Administration of ISG UK Retail Limited will be recharged to ISG Retail Limited.

	ISG Central Services Limited	ISG Construction Limited	ISG Engineering Services Limited	ISG Fit Out Limited	ISG Retail Limited	ISG Interior Services Group UK Limited	ISG Jackson Limited	ISG UK Retail Limited
Accounting & Administration	0%	0%	0%	0%	100%	0%	(100%)	0%
Bank & Statutory Reporting	0%	0%	0%	0%	100%	0%	(100%)	0%
Creditors	0%	0%	0%	0%	100%	0%	(100%)	0%
Debtors	0%	0%	0%	0%	100%	0%	(100%)	0%
Employee Matters	0%	0%	0%	0%	100%	0%	(100%)	0%
Immediate Tasks	0%	0%	0%	0%	100%	0%	(100%)	0%
Investigation & CDDA	0%	0%	0%	0%	100%	0%	(100%)	0%
Other Assets	0%	0%	0%	0%	100%	0%	(100%)	0%
Other Matters	0%	0%	0%	0%	100%	0%	(100%)	0%
Property	0%	0%	0%	0%	100%	0%	(100%)	0%
Public Relations Issues	0%	0%	0%	0%	100%	0%	(100%)	0%
Statutory Duties	0%	0%	0%	0%	100%	0%	(100%)	0%
Trading	0%	0%	0%	0%	100%	0%	(100%)	0%
VAT & Taxation	0%	0%	0%	0%	100%	0%	(100%)	0%

The ultimate quantum of recharges will be subject to actual costs incurred.

A summary of the Joint Administrators' remuneration in respect of each of the Companies both prior to and post the application of expected recharges are presented below.

	Joint Administrators post-appointment remuneration								Total costs (£)
	ISG Central Services Limited	ISG Construction Limited	ISG Engineering Services Limited	ISG Fit Out Limited	ISG Interior Services Group UK Limited	ISG Jackson Limited	ISG Retail Limited	ISG UK Retail Limited	
Remuneration per the Joint Administrators' fee estimate	3,987,671	2,747,410	1,134,658	2,604,733	590,675	198,622	2,508,021	174,993	13,946,784
Recharges of the Joint Administrators' remuneration:									
ISG Central Services Limited	(2,746,327)	686,582	686,582	686,582	-	-	686,582	-	-
ISG Interior Services Group UK Limited	50,088	39,908	144,389	316,382	(590,675)	-	39,908	-	-
ISG Jackson Limited	39,724	39,724	39,724	39,724	-	(198,622)	39,724	-	-
ISG UK Retail Limited	-	-	-	-	-	-	174,993	(174,993)	-
Total costs (£)	1,331,156	3,513,624	2,005,353	3,647,422	-	-	3,449,228	-	