

TO ALL KNOWN CREDITORS

14 October 2021

Ref: RHK/AMH/CK/KH/NH/JB

Direct line: +44 (0) 20 7197 5327

Email:

InterservePlcAdministration@uk.ey.com

Dear Sirs

Interserve Plc (in Administration) (“the Company”)

**High Court of Justice Business and Property Courts of England and Wales
Insolvency and Companies List (ChD), Number BR-2019-000339**

We write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 (“the Rules”), to provide creditors with a report on the progress of the administration of the Company (“the Administration”).

On 15 March 2019 (“the Date of Appointment”), the Company entered into administration and Alan Michael Hudson and Robert Hunter Kelly were appointed as joint administrators (“the Joint Administrators”). Immediately following appointment, the Joint Administrators completed a sale of substantially all of the Company’s business and assets and certain liabilities to a specially formed company, Montana 1 Limited, which was subsequently renamed Interserve Group Limited (“IGL” or “the Purchaser”) (“the Sale”).

This report covers the period from 15 March 2021 to 14 September 2021 (“the Reporting Period”) and should be read in conjunction with our Joint Administrators’ Statement of Proposals dated 21 March 2019 (“the Proposals”) and our Progress Reports dated 14 October 2019, 8 April 2020, 14 October 2020 and 13 April 2021

Statutory information about the Company, the Administration and the office holders is given at Appendix 1.

Summary of progress

Licences to occupy

On the Date of Appointment, the Company granted IGL licenses to occupy three of the Company’s leasehold properties. These licences had all expired prior to the Reporting Period and therefore, no expenses in respect of the leasehold properties have been incurred by the Company during the Reporting Period.

During the Reporting Period, we held discussions with Nick Hammond of Colliers International Valuation UK LLP, one of the joint receivers (“the Receiver”) appointed to the freeholder in respect of the

Company's leasehold premises in Birmingham to return the keys and surrender the lease. The Receiver has confirmed receipt of the keys and the surrender of the lease has now been accepted. All rental payments and other expenses that were due to the landlord under the lease for the Birmingham premises and which were expenses of the Administration, have been settled. As part of the surrender of the lease and the subsequent sale of the building, the freeholder and the buyer of the building agreed to extinguish all claims they may have against the Company, including any unsecured creditor claims.

Al Binaa Shares

We continue to be involved with IGL to progress the transfer of the Company's shares in Al Binaa Contracting Company W.L.L. ("Al Binaa").

In prior progress reports we confirmed that capital gains tax returns and other required documentation were submitted to the Qatari tax authorities, where Al Binaa is registered to obtain tax clearance for the transfer of the Al Binaa shares. Due to the complexity of the process and ongoing impact of COVID-19, tax clearance has still not yet been received from the Qatari tax authorities.

Exit from Administration

It is likely that receipt of the Qatari tax clearance and the transfer of the Al Binaa shares will not complete before the three-year anniversary of the Date of Appointment. As such allow this process to complete, we will need to either seek an extension to the Administration or to consider an exit from the Administration via a transition to compulsory liquidation, as the statutory requirements to transition to a creditors' voluntary liquidation (primarily that a distribution will be made to unsecured creditors, other than by virtue of the Prescribed Part) cannot be met.

Creditors will be updated on the transfer of the Al Binaa shares, status of tax clearance and any requirement to either extend the Administration or transition the Company to compulsory liquidation in due course, but no later than the end of this calendar year.

Other matters

The Joint Administrators' investigations

We have undertaken an investigation into the Company's affairs during the period since our appointment pursuant to the Statement of Insolvency Practice 2 (Investigations by Office Holders) ("SIP 2") and the Company Directors' Disqualification Act 1986. We have a duty to consider what potential claims against third parties may exist as assets of the Company and the likely recoveries that could be made in respect of such claims. In connection with this, we also have to consider the likely costs involved in determining whether any claims exist and if there are any potential sources of funding available.

In fulfilling our duties under the above guidance and legislation, we have reviewed information provided to us by a creditor and held ancillary discussions to consider whether a claim exists, likely recoveries and costs involved in determining and pursuing any such claim. We have concluded that no further investigations or action will be taken in respect to the information provided due to the significant costs involved in determining whether a potential claim exists.

As previously reported in the media and our prior Progress Reports, the Company continues to be

subject to investigations by certain regulatory bodies, which commenced prior to the Date of Appointment. We have continued to cooperate with information requests received from these regulatory bodies and will continue to do so.

VAT

Following our appointment, HMRC removed the Company from the Interserve Group's VAT group and we re-registered the Company with a new standalone VAT number, effective from the Date of Appointment.

We have continued to submit the required VAT returns since the Date of Appointment and made payments or claimed refunds, which have now all been received.

Corporation tax

EY Tax specialists were instructed to assist the Company in the preparation of its corporation tax returns, as required by statute and also, under the terms of the Sale, to assist in the surrender of any available group relief for the pre-appointment period to IGL.

All available group relief for the pre-appointment period has now been surrendered and losses carried forward have been confirmed with IGL.

The first post-appointment corporation tax return for the Company for the period from 15 March 2019 to 31 December 2019 was submitted to HMRC. To date HMRC has not raised an enquiry, but the enquiry window remains open.

The next corporation tax return, for the period 1 January 2020 to 31 December 2020, due for submission on or before 31 December 2021, is currently being prepared.

Tax related costs are included within our time costs, set out at Appendix 3.

Receipts and payments account

A summary of our receipts and payments for the Reporting Period is attached at Appendix 2.

This account does not reflect future estimated realisations or costs, including our remuneration and disbursements.

Joint Administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the website of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to us.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Rules, respectively). Further information is provided in 'A Creditors' Guide to Administrators'

Fees' referred to above.

The Rules require the basis of an administrator's remuneration to be fixed (Rule 18.16) and in the event that there are insufficient funds for distribution to unsecured creditors, other than the Prescribed Part and there is no creditors' committee, the basis of an administrator's remuneration must be fixed by consent of the secured creditors (Rule 18.18(4a)) and the preferential creditors (if there are any).

A statement was made in the Proposals under the provision of paragraph 52(1) of Schedule B1 to the Insolvency Act 1986 ("the Act") that there will be no funds available for the unsecured creditors of the Company, other than by virtue of the Prescribed Part. No creditors' committee has been formed and we have not been made aware of any preferential creditors.

Given the above, we sought and received agreement from the secured creditors for our remuneration being charged on a time cost basis at an estimate of £1,379,151 (exclusive of VAT) ("Fee Estimate").

During the Reporting Period, we have incurred time costs of £113,343. Time costs incurred from the Date of Appointment to 14 September 2021 total £1,339,447. Of this sum, £1,174,843.74 had been paid.

Appendix 3 of this report provides an analysis of the time spent in comparison with the Fee Estimate and provides details of the work completed and expected to be undertaken during the remainder of the Administration. Taking account of the time costs incurred in respect of the transfer of Al Binaa shares, which should be met by IGL, our remuneration is not expected to exceed our Fee Estimate.

Joint Administrators' statement of expenses incurred

During the Reporting Period, we have incurred expenses and disbursements of £50,144.99 plus VAT. A detailed breakdown of expenses and disbursements incurred is included at Appendix 4.

Expenses and disbursements have not exceeded the original estimate of £578,280 and are not expected to do so.

Distributions to creditors

Secured creditors

As part of the Sale, the Company was released from its liability in respect of a secured principal debt amount of £814m and approximately £202m of other secured liabilities owed to the Company's secured creditors. This reduced the Company's secured liabilities to approximately £65.15m (as at the Date of Appointment) and comprised accrued and capitalised cash and payment in kind ("PIK") interest under the Company's and the former Interserve group's cash and bonding facilities, certain "make-whole" amounts in respect of US private placement notes issued by the Interserve group and fees.

It is not anticipated that any distributions will be made to the Company's secured creditors in respect of their outstanding liability of approximately £65.15m.

Preferential creditors

All employees of the Company were transferred to the Purchaser as a result of TUPE. In

accordance with the SPA, all arrears of wages, holiday pay and employee pension deductions were required to be met by the Purchaser. As such, we are not expecting and have not received any preferential claims in the Administration of the Company.

Unsecured creditors

We continue to receive claims from non-preferential, unsecured creditors of the Company. It is not possible to provide an accurate estimate of non-preferential, unsecured creditor claims at this stage.

Distributions to the Company's non-preferential, unsecured creditors will arise solely from the Prescribed Part. The Prescribed Part is a proportion of floating charge assets set aside for non-preferential, unsecured creditors (subject to a maximum amount of £600,000) pursuant to section 176A of the Act. The Prescribed Part applies to floating charges created on or after 15 September 2003.

As part of the Sale consideration, the Purchaser provided an amount equivalent to the maximum available under the Prescribed Part of £600,000 for distribution to the Company's non-preferential, unsecured creditors. The dividend amount from the Prescribed Part distribution is subject to associated costs and the quantum of admissible creditor claims.

On 25 August 2021, we informed the unsecured creditors that the Joint Administrators are considering the issuance of a notice of intention to declare a first and final dividend in the Administration of the Company. On 1 October 2021, we communicated with the unsecured creditors our formal notice of a declaration of a first and final dividend in the Administration, with 31 October 2021 being the final date for unsecured creditors to submit claims.

Remaining work

We will continue to deal with the Administration in line with the stated objectives outlined in the Proposals. Future tasks include, inter alia, the following:

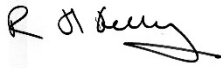
- progressing and concluding the transfer of the AI Binaa Shares;
- preparing and filing corporation tax and VAT returns;
- fulfilling statutory and reporting requirements of the Administration;
- receiving and reviewing claims from non-preferential unsecured creditors of the Company;
- distributing amounts due to non-preferential unsecured creditors under the Prescribed Part;
- dealing with enquiries from creditors, members and other stakeholders, as required;
- considering whether to seek an extension to the Administration exit from the Administration via a transition to compulsory liquidation to continue progressing the transfer of the AI Binaa Shares; and
- any actions required by the Joint Administrators to fulfil the purpose of the Administration.

Next report

We will report to you again, with an update on the progress of the Administration, in six months' time.

Should you have any queries regarding any of the matters outlined in this report, please contact my colleague Jai Bhalla on +44 (0)20 7806 9465.

Yours faithfully
for the Company



R H Kelly
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Robert Hunter Kelly and Alan Michael Hudson, who act as agents of the Company only and without personal liability. As licensed insolvency practitioners, Robert Hunter Kelly and Alan Michael Hudson are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administration.

Robert Hunter Kelly is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland and Alan Michael Hudson is licensed in the United Kingdom to act as an insolvency practitioner by The Insolvency Practitioners Association.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data 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. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

Interserve Plc (in Administration) (“the Company”)

Information about the proceedings, the Company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

| | |
|---|--|
| Name of Court: | High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD) |
| Court reference: | BR-2019-000339 |
| Registered name of the Company: | Interserve Plc |
| Registered office address of the Company: | c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF |
| Registered number: | 00088456 |
| Country of incorporation (for a company incorporated outside the United Kingdom): | n/a |
| Date of appointment of the Joint Administrators: | 15 March 2019 |
| Details of any changes of Administrator: | None |
| Full names of the Administrators: | Robert Hunter Kelly Alan Michael Hudson |
| Office holder numbers: | 8582 and 9200 |
| Administrators' addresses: | Ernst & Young LLP, 1 Bridgewater Place, Water Lane, Leeds LS11 5QR Ernst & Young LLP, 1 More London Place, London SE1 2AF |
| Contact details: | +44 (0) 207 197 5327 InterservePlcAdministration@uk.ey.com |
| Name of alternative person to contact with enquiries about the case: | Jai Bhalla |

Appendix 2

Interserve Plc (in Administration) ("the Company")

Joint Administrators' Summary of Receipts and Payments from 15 March 2021 to 14 September 2021

| Statement of Affairs estimated to realise values ¹ £ | Notes 2, 3 | 15 March 2019 to 14 March 2021 £ | 15 March 2021 to 14 September 2021 £ | Cumulative total £ |
|--|---------------|--|--|-----------------------|
| RECEIPTS | | | | |
| | | 3,614.35 | 44.74 | 3,659.09 |
| | | 2,429,838.63 | 191,632.00 | 2,621,470.63 |
| 49,134.00 | 4 | 88,958.80 | - | 88,958.80 |
| | | 1,158,514.94 | - | 1,158,514.94 |
| | | 46,322.93 | - | 46,322.93 |
| 300,000.00 | | - | - | - |
| 1,816,315.00 | | - | - | - |
| 2,678,689.00 | | - | - | - |
| 3,070,000.00 | | - | - | - |
| 500,000.00 | | - | - | - |
| 3,067,055.00 | | - | - | - |
| 23,980,468.00 | | - | - | - |
| | | 10,771.92 | - | 10,771.92 |
| | | 3,738,021.57 | 191,676.74 | 3,929,698.31 |
| PAYMENTS | | | | |
| | | 1,146,393.03 | - | 1,146,393.03 |
| | | 1,960.00 | - | 1,960.00 |
| | | 135,267.73 | - | 135,267.73 |
| | | 12,670.86 | - | 12,670.86 |
| | | 10,011.42 | 10,000.00 | 20,011.42 |
| | | 164,660.40 | - | 164,660.40 |
| | | 1,001,366.87 | 173,476.87 | 1,174,843.74 |
| | | 359,610.10 | 12,864.50 | 372,474.60 |
| | | 4,203.08 | 6.13 | 4,209.21 |
| | | 16,053.55 | - | 16,053.55 |
| | | 76.80 | 1.20 | 78.00 |
| | | 1,425.86 | (1,425.86) | 0.00 |
| | | 2,853,699.70 | 194,922.84 | 3,048,622.54 |
| | | 884,321.87 | (3,246.10) | 881,075.77 |
| REPRESENTED BY: | | | | |
| | 5 | | | 878,650.76 |
| | | | | 2,425.01 |
| | | | | 881,075.77 |

Notes:

- 1 As explained in the Proposals, the financial benefits to the Company of entering into the Sale to IGL was the release of liabilities totalling over £1.2bn rather than the receipt of cash sales consideration. Also, the Company's business and substantially all of its assets were transferred to IGL in the Sale and therefore, with the exception of cash from the HSBC pre-appointment bank account which was subsequently forwarded to IGL, realisations from other assets noted in the Statement of Affairs have not been and are not expected to be, received by the Joint Administrators.
- 2 This receipts and payments account is shown net of VAT.
- 3 This receipts and payments account has been prepared on an cash basis and does not reflect future expected receipts and payments.
- 4 During the Reporting Period, £191,632.00 has been drawn from the funding available to the Joint Administrators to meet Joint Administrators' fees and disbursements and legal fees and disbursements, plus applicable VAT.
- 5 All funds are held in interest bearing accounts.

Appendix 3

Interserve Plc (in Administration) ("the Company")

Joint Administrators' time costs for the period 15 March 2021 to 14 September 2021

| Actual costs in Reporting Period (15 March 2021 to 14 September 2021) | | | | | | | | | | Fee estimate sent to all known creditors dated 21 March 2019 | | | Actual costs to 15 September 2021 | | | Estimated to complete | |
|---|--------------|---------------|----------------|----------|--------------|-------------|--------------|----------------|-------------------------|--|------------------|-------------------------|-----------------------------------|------------------|-------------------------|-----------------------|---------------|
| | Staff Grade | | | | | | Total Hours | Time Cost (£) | Average Hourly Rate (£) | Total hours | Time cost (£) | Average hourly rate (£) | Total hours | Time cost (£) | Average hourly rate (£) | Total hours | Time cost (£) |
| | Partner | Director | Senior Manager | Manager | Executive | Analyst | | | | | | | | | | | |
| Accounting and Administration | 1.5 | 3.3 | 2.7 | - | 11.4 | 5.5 | 24.4 | 8,618 | 353.2 | 124.0 | 42,820 | 345.3 | 412.5 | 112,385 | 272.4 | (288.5) | (69,565) |
| Al Binaa ¹ | 9.0 | 31.5 | 4.5 | - | - | - | 45.0 | 27,557 | 612.4 | - | - | - | 139.0 | 90,032 | 647.7 | (139.0) | (90,032) |
| Bank & Statutory Reporting | 1.0 | 17.0 | 13.0 | - | 0.5 | 5.5 | 37.0 | 19,068 | 515.3 | 546.0 | 200,205 | 366.7 | 353.3 | 160,882 | 455.4 | 192.7 | 39,324 |
| Creditors | - | 5.5 | 2.3 | - | - | 13.0 | 20.8 | 6,690 | 321.6 | 291.0 | 110,008 | 378.0 | 219.3 | 79,875 | 364.2 | 71.7 | 30,133 |
| Debtors | 2.0 | - | - | - | - | - | 2.0 | 1,170 | 585.0 | 90.0 | 30,201 | 335.6 | 4.3 | 2,113 | 491.5 | 85.7 | 28,088 |
| Employee Matters | - | 1.5 | 0.3 | - | - | - | 1.8 | 1,110 | 616.4 | - | - | - | 23.1 | 9,733 | 421.3 | (23.1) | (9,733) |
| Investigation/CDDA | 7.0 | 0.5 | 1.6 | - | - | - | 9.1 | 5,204 | 571.9 | 279.0 | 109,918 | 394.0 | 489.1 | 212,002 | 433.5 | (210.1) | (102,084) |
| Legal Issues | - | - | 0.3 | - | - | - | 0.3 | 159 | 529.8 | 66.0 | 41,548 | 629.5 | 41.5 | 23,414 | 564.2 | 24.5 | 18,134 |
| Members | - | - | 1.7 | - | - | 26.0 | 27.7 | 4,872 | 175.9 | - | - | - | 133.6 | 31,064 | 232.5 | (133.6) | (31,064) |
| Other Matters | 3.5 | - | 8.6 | - | - | 1.0 | 13.1 | 6,756 | 515.7 | 498.0 | 187,871 | 377.3 | 340.4 | 154,631 | 454.3 | 157.6 | 33,240 |
| Property | 2.0 | 12.5 | 5.8 | - | - | - | 20.3 | 12,164 | 599.2 | 150.0 | 53,135 | 354.2 | 108.9 | 55,290 | 507.7 | 41.1 | (2,155) |
| Statutory Duties | - | 0.8 | - | - | - | - | 0.8 | 419 | 523.3 | 358.0 | 131,153 | 366.3 | 164.2 | 76,610 | 466.6 | 193.8 | 54,543 |
| Trading | - | - | - | - | - | - | - | - | - | - | - | - | 1.5 | 907 | 604.5 | (1.5) | (907) |
| VAT & Taxation | - | 3.3 | 1.8 | - | 12.3 | 3.9 | 21.3 | 8,253 | 387.5 | 228.0 | 143,524 | 629.5 | 338.0 | 199,621 | 590.6 | (110.0) | (56,097) |
| Prescribed Part Distribution ² | - | 9.3 | 3.5 | - | 8.0 | 11.0 | 31.8 | 11,092 | 348.8 | 259.0 | 68,159 | 263.2 | 31.8 | 11,092 | - | 227.2 | 57,067 |
| Data Preservation | - | - | 0.4 | - | - | - | 0.4 | 212 | 529.8 | - | - | - | 77.6 | 21,124 | 272.2 | (77.6) | (21,124) |
| Total Hours | 26.0 | 85.2 | 46.5 | - | 32.2 | 65.9 | 255.8 | | | 3,572.0 | 1,379,151 | 386.1 | 3,080.3 | 1,339,447 | 434.8 | 491.7 | 39,704 |
| Time Costs (£) | 5,265 | 26,938 | 10,648 | - | 6,210 | 810 | | 113,343 | | | | | | | | | |
| Average Hourly Rate (£) | 202.5 | 316.2 | 229.0 | - | 192.9 | 12.3 | | 443.1 | | | | | | | | | |
| Category 1 Disbursements (£) | - | | | | | | | | | | | | | | | | |
| Category 2 Disbursements (£) | 254.79 | | | | | | | | | | | | | | | | |
| Expenses (£) | 254.79 | | | | | | | | | | | | | | | | |
| Disbursements and expenses (£) | | | | | | | | | | | | | | | | | |
| Category 1 | | | | | | | | | | | | | | 1,529 | | | |
| Category 2 | | | | | | | | | | | | | | 743 | | | |
| Expenses | | | | | | | | | | | | | | 2,212 | | | |
| | | | | | | | | | | | | | | 4,485 | | | |

Notes

- Time is charged in 6 minute intervals.
- Specialists, such as tax professionals, have been engaged to provide advice, where required. Standard charge-out rates of these specialists are higher than the equivalent grade in the Restructuring team.
- Time costs include agreed 35% discount to all standard charge out rates (incl. specialist resource).

¹Costs incurred by the Joint Administrators regarding matters relating to the sale of the Company's shares in Al Binaa Contracting Company W.L.L. should be recoverable by IGL, meaning the Joint Administrators are unlikely to exceed the fee estimate.

²Costs incurred by the Joint Administrators in relation to distribution of the Prescribed Part to unsecured creditors will be deducted from the Prescribed Part amount.

Category of work Description of work completed / to be completed

| | |
|-------------------------------|---|
| Accounting and Administration | <ul style="list-style-type: none"> • Overall management of the case, treasury and accounting functions, statutory compliance diaries and time cost monitoring and reporting. • Monitoring internal systems and records in line with statutory requirements. |
| AI Binaa | <ul style="list-style-type: none"> • Obtaining required consents, clearances and transferring ownership / managing the sale of the AI Binaa Shares. |
| Bank and Statutory Reporting | <ul style="list-style-type: none"> • Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports and final report. • Preparing reports to IGL, in accordance with the terms of the SPA, on the use of funding made available to the Joint Administrators to cover the costs of the Administration. |
| Creditors | <ul style="list-style-type: none"> • Receipt and recording of creditor claims. • Correspondence with creditors, including potential insurance counterparties. |
| Debtors | <ul style="list-style-type: none"> • Responding to queries in respect to debts due to the Company. • Receiving debts due to the Company and arranging payment of these monies to IGL, in accordance with the SPA. |
| Employee matters | <ul style="list-style-type: none"> • Writing to employees regarding TUPE related matters. • Dealing with any employee enquiries. |
| Immediate Tasks | <ul style="list-style-type: none"> • Completion of workstreams requiring immediate attention following appointment, in order to execute the strategy outlined in the Proposals. |
| Investigations | <ul style="list-style-type: none"> • Investigations into the Company's affairs in accordance with Statement of Insolvency Practice 2: "Investigations by Office Holders". • Making an online submission to the Director Conduct Reporting Service in accordance with the Company Directors Disqualification Act 1986. |
| Job Acceptance and Strategy | <ul style="list-style-type: none"> • Matters relating to the appointment and initial planning. |
| Legal Issues | <ul style="list-style-type: none"> • Dealing with any ad hoc legal issues which may arise in the Administration. |
| Members | <ul style="list-style-type: none"> • Corresponding and dealing with shareholder queries. |
| Other Assets | <ul style="list-style-type: none"> • Dealing with enquiries from lease providers / assignment of lease agreements, if required. • Liaising with the Company's banks to secure the release of cash held in pre-appointment bank accounts and cash in transit. • Realising value from any residual assets. |
| Other Matters | <ul style="list-style-type: none"> • Managing general queries and correspondence on behalf of the Company. • Dealing with general compliance obligations of the Administration. • Dealing with insurance enquiries, notifications and claims. • Review and execution of agreements to facilitate the transfer of IT, utilities, services and other supplier agreements, if novation is required. • Discussions around administration exit and transition to compulsory liquidation • Other ad hoc matters that arise in the course of the Administration. |
| Property | <ul style="list-style-type: none"> • Managing licences to occupy and assignment of leases, as appropriate. • Dealing with landlords, leasehold properties and the payment of rent and service charges, in connection with the licences to occupy. |
| Public Relations | <ul style="list-style-type: none"> • Agreeing and issuing statements to the press, as required, and dealing with enquiries from the media. |
| Statutory Duties | <ul style="list-style-type: none"> • Completion of statutory requirements of the Administration, including notifications to the creditors and members, advertising the appointment, letter to creditors pursuant to Statement of Insolvency Practice 16, and filing documents at CompaniesHouse. • Reviewing and finalising documents and other activities required to extend the Administration. |
| VAT and Taxation | <ul style="list-style-type: none"> • Bringing tax affairs up to date. • Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists. • Completing application documentation regarding pre-appointment tax losses. • Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administration. Preparing claims for VAT bad debt relief (if applicable). |
| Prescribed Part Distribution | <ul style="list-style-type: none"> • Adjudicating on claims from unsecured creditors and processing distributions (as applicable). |
| Data Preservation | <ul style="list-style-type: none"> • Imaging of books and records held on laptops and iPads held by the senior management of the Company. |

Appendix 4

Interserve Plc (in Administration) ("the Company")

Summary of Joint Administrators' expenses incurred

| Type of Expense | Per estimate sent to all known creditors dated 21 March 2019 (£) | Incurred from 15 March 2019 to 14 March 2021 (£) | Incurred from 15 March 2021 to 14 September 2021 ⁵ (£) | Total incurred from 15 March 2019 to 14 September 2021 (£) | Remaining balance of estimate (£) |
|--|--|--|---|--|-----------------------------------|
| Payments made from the estate which are not disbursements^{1,2} | | | | | |
| Insurance | 50,000.00 | 1,960.00 | - | 1,960.00 | 48,040.00 |
| Statutory advertising | 1,000.00 | 174.96 | - | 174.96 | 825.04 |
| Legal fees and disbursements | 500,000.00 | 375,778.65 | 39,889.00 | 415,667.65 | 84,332.35 |
| Al Binaa professional fees ³ | - | 12,670.86 | - | 12,670.86 | (12,670.86) |
| Travel, accommodation and subsistence | 25,000.00 | 2,037.52 | - | 2,037.52 | 22,962.48 |
| Ocorian trust account fees | - | 10,011.42 | 10,000.00 | 20,011.42 | - |
| Bank charges | - | 76.80 | 1.20 | 78.00 | - |
| Category 1 disbursements² | | | | | |
| Specific penalty bond | 1,280.00 | 1,280.00 | - | 1,280.00 | - |
| Postage and printing ⁴ | - | 249.09 | - | 249.09 | (249.09) |
| Category 2 disbursements² | | | | | |
| Copying, printing and postage | 1,000.00 | 389.46 | 254.79 | 644.25 | 355.75 |
| Mileage ⁴ | - | 99.00 | - | 99.00 | (99.00) |
| Total | 578,280.00 | 404,727.76 | 50,144.99 | 454,872.75 | 123,407.25 |

Notes:

- 1 Statement of Insolvency Practice 9 ("SIP 9") defines expenses as amounts properly payable from the insolvency estate which are not otherwise categorised as office holders' remuneration or distributions to creditors.
- 2 SIP 9 defines disbursements as a type of expense which is met by and reimbursed to, an office holder in connection with an insolvency appointment. Disbursements fall into two categories: Category 1 and Category 2.
 - a. Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment.
 - b. Category 2 disbursements are expenses which are directly referable to the appointment but not a payment to an independent third party. They may include shared and allocated costs.
- 3 In accordance with the Sale, costs incurred by the Joint Administrators, their staff and legal and other advisers in dealing with matters relating to the sale of the Company's shares in Al Binaa Contracting Company W.L.L. should be recoverable from IGL. We may, therefore, recharge these costs to IGL.
- 4 £249.09 of Category 1 postage and printing costs have been incurred but were not forecast, however, this cost is within the estimate of Category 2 copying, printing and postage costs. £99.00 of Category 2 mileage costs were not in the Joint Administrators' initial forecast but are within the expenses estimate for travel, accommodation and subsistence.
- 5 As at 14 September 2021, £27,139.50 of legal fees and disbursements had been incurred and not yet paid.
- 6 Payment of pre-Administration costs were subject to specific approval and are not included in the above analysis.