

# Liquidators' third progress report from 10 December 2023 to 9 December 2024 and final progress report from 10 December 2024 to 15 January 2025

6 February 2025

[www.pwc.co.uk/stronghold](http://www.pwc.co.uk/stronghold)

**Stronghold Insurance Company Limited (in Liquidation)**

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This report has been prepared by Dan Yoram Schwarzmann and Douglas Nigel Rackham as Liquidators of the Company, solely to comply with the Liquidators' statutory duty to report to creditors under IR16 on the progress of the Liquidation, 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.

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 Liquidators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Liquidators' previous reports issued to the Company's creditors, which can be found at [pwc.co.uk/services/business-restructuring/administrations/stronghold.html](http://pwc.co.uk/services/business-restructuring/administrations/stronghold.html). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

Dan Yoram Schwarzmann and Douglas Nigel Rackham have been appointed as Liquidators of the Company. Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Liquidators are bound by the Insolvency Code of Ethics which can be found at: [gov.uk/government/publications/insolvency-practitioner-code-of-ethics](http://gov.uk/government/publications/insolvency-practitioner-code-of-ethics)

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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  |
|--|--|
| <b>Administration</b>                  | UK corporate insolvency process governed by the Insolvency Act 1986, applicable to the Company following its insolvency on 27 June 2019 up to its termination on 9 December 2021.  |
| <b>Administration Appointment</b>      | The date that the Administrators were formally appointed as administrators of the Company, being 27 June 2019.   |
| <b>Administrators</b>                  | Dan Yoram Schwarzmann and Douglas Nigel Rackham of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT.  |
| <b>Cedants/reinsurance creditors</b>   | Unsecured non-preferential creditors whose claims arise from being insurance companies holding policies of reinsurance issued by the Company.  |
| <b>Chapter 15</b>                      | US Bankruptcy process enabling cooperation between US and UK Courts to give effect to the Administration and the Schemes.  |
| <b>Company</b>                         | Stronghold Insurance Company Limited (in Creditors' Voluntary Liquidation, previously in Administration)   |
| <b>Company Website</b>                 | <a href="http://www.pwc.co.uk/stronghold">www.pwc.co.uk/stronghold</a> .   |
| <b>Court</b>                           | The High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD).   |
| <b>Creditors' Committee</b>            | Committee of creditors established to assist the Administrators in discharging their functions set out in the Insolvency Act 1986.   |
| <b>CVL (or Liquidation)</b>            | Creditors' Voluntary Liquidation.  |
| <b>Determination Notice</b>            | A final and binding document setting out the amount of a creditor's ascertained claim in the Scheme.   |
| <b>Direct Ascertained Claim</b>        | The amount payable by the Company to the Direct Scheme Creditor as set out in the Direct Scheme Creditor's Determination Notice.   |
| <b>Direct Scheme Final Claims Time</b> | The deadline set for submitting completed claim forms in respect of Direct Scheme Claims, being 11.59 pm (London time) on 10 August 2021.  |
| <b>Direct Insurance Creditors</b>      | Unsecured non-preferential creditors whose claims arise from cover provided by the Company to a non-insurer policyholder.  |
| <b>Direct Payment Percentage</b>       | The percentage of the Direct Ascertained Claims that can be paid, taking into account the amounts required to meet all excluded liabilities and other liabilities of Stronghold ranking in priority to the Direct Scheme Creditors, and the need to ensure that the same percentage is paid in respect of all Direct Ascertained Claims. |
| <b>Direct Scheme</b>                   | The Scheme of Arrangement pursuant to Part 26 of the Companies Act 2006 between Stronghold and its creditors in respect of contracts of direct insurance only.   |
| <b>Direct Scheme Creditors</b>         | Creditors with claims against Stronghold arising under contracts of direct insurance.  |
| <b>FCA</b>                             | The Financial Conduct Authority, the conduct regulator for financial services firms and financial markets in the UK.   |
| <b>Firm or PwC</b>                     | PricewaterhouseCoopers LLP   |

|  |   |
|--|---|
| <b>IR16</b>  | Insolvency (England and Wales) Rules 2016, the statutory rules that provide the legal platform for matters relating to personal and corporate insolvency in England and Wales.  |
| <b>IA86</b>  | Insolvency Act 1986, the statutory legislation that provides the legal platform for matters relating to personal and corporate insolvency in the United Kingdom.  |
| <b>General Final Claims Time</b>                                 | The deadline for submitting completed claim forms in respect of General Scheme Claims. Note, no such deadline was ever set.   |
| <b>General Scheme</b>  | The Scheme of Arrangement pursuant to Part 26 of the Companies Act 2006 between the Company and its creditors other than: (a) creditors with claims arising under or pursuant to contracts of direct insurance; and (b) creditors with claims arising in respect of excluded liabilities. |
| <b>General Scheme Creditors</b>                                  | Creditors with claims against Stronghold that are not under contracts of direct insurance.  |
| <b>HMRC</b>  | HM Revenue and Customs, the UK's tax, payments and customs authority.   |
| <b>Insurers (Reorganisation and Winding Up) Regulations 2004</b> | The rules under which Direct Insurance Creditors rank ahead of all other Unsecured Creditors, including cedants and reinsurance creditors.  |
| <b>Liquidators/we/us/our</b>                                     | Dan Yoram Schwarzmann and Douglas Nigel Rackham of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT.   |
| <b>Liquidation Appointment</b>                                   | The date that the Liquidators were formally appointed as Liquidators of the Company, being 10 December 2021.  |
| <b>Liquidation Committee</b>                                     | Committee of creditors established to assist the Liquidators during the period of the Liquidation.  |
| <b>NAIC</b>  | The National Association of Insurance Commissioners.  |
| <b>NYDFS</b>   | The New York Department for Financial Services.   |
| <b>Office Holders</b>  | The Administrators or the Liquidators, as the case may be.  |
| <b>PRA</b>   | The Prudential Regulation Authority, being responsible for the prudential regulation and supervision of financial services firms in the UK.   |
| <b>Proposals</b>   | The Administrators' Proposals for achieving the purpose of the Administration, as approved by creditors on 4 September 2019.  |
| <b>Regulators</b>  | The Financial Conduct Authority and Prudential Regulation Authority.  |
| <b>Schemes of Arrangement (or Schemes)</b>                       | The Direct Scheme and General Scheme (each a Scheme and together, the Schemes) proposed following the Company entering Administration, which both became effective on 11 February 2021.   |
| <b>Secured creditors</b>   | Creditors with security in respect of their debt, in accordance with Section 248 IA86.  |
| <b>SIP</b>   | Statement of Insolvency Practice, issued by the UK regulatory authorities, setting out principles and key compliance standards with which insolvency practitioners are required to comply.  |
| <b>Statement of Affairs</b>                                      | A document required by UK law, prepared by the directors of the Company, outlining the assets and liabilities of the Company at the date of Administration.   |
| <b>Stronghold</b>  | Stronghold Insurance Company Limited (in Creditors' Voluntary Liquidation).   |
| <b>Unsecured creditors</b>                                       | Creditors who are neither secured nor preferential  |
| <b>Value Added Tax (or VAT)</b>                                  | A consumption tax levied on the sale of goods and services in the UK.   |

# Key messages and outcome for creditors

## Why we have sent you this report

I am pleased to let you know that our work in the Liquidation of Stronghold Insurance Company Limited is now complete and the Company's affairs are fully wound up.

In this combined third and final reports in the Liquidation we summarise our work since our appointment as Administrators on 27 June 2019 and then as Liquidators since 10 December 2021, including the final outcome for creditors and our final account of the Liquidation.

Creditors may wish to read this report in conjunction with our previous progress reports in the Liquidation, progress reports in the Administration and our initial Proposals document all of which, along with this report and other important information are available on the Company Website at [pwc.co.uk/Stronghold](http://pwc.co.uk/Stronghold).

## Outcome for creditors - how much creditors have received

### Background

Creditors are reminded that the purpose of the Administration was to achieve 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). On 4 September 2019 the Proposals, including the intention to proceed with a Scheme of Arrangement and establish a Creditors' Committee, were approved by the creditors of the Company.

Before the Scheme of Arrangement was in place, we worked to reduce the Company's cost base, protect US assets via a Chapter 15 recognition of the Administration in the US Courts, recover other assets and commenced the sale process for the Company's freehold property in Norwich.

Following consultation with the Creditors' Committee and other stakeholders on the development of the exit mechanism, practice statement letters, introducing and explaining two proposed Schemes, were sent to all known creditors on 16 November 2020. The Court granted permission to convene two separate meetings of the Company's creditors to vote upon the Schemes, and these meetings were held on 2 February 2021.

As a reminder, a creditor is a Direct Scheme Creditor if it had a claim arising under or pursuant to a contract of direct insurance and a creditor is a General Scheme Creditor if it had a claim against the Company which did not arise under or pursuant to a contract of direct insurance.

Both the Direct Scheme and General Scheme were approved by the Company's creditors, and subsequently the Court at the sanction hearing on 10 February 2021. The orders were subsequently delivered to the Registrar of Companies on 11 February 2021, and the Schemes became effective on that date. On 15 February 2021, creditors were notified of the Schemes' effective date and Direct Scheme Creditors were notified of the Direct Scheme Final Claims Time.

68 claims were received from Direct Scheme Creditors prior to the Direct Scheme Final Claims Time of 10 August 2021. Supported by the PwC actuarial team, we then worked to assess the claims submitted and ensure that each claim was appropriately valued and agreed in accordance with the valuation methodology and terms of the Direct Scheme.

On 30 September 2022, based on the level of agreed Direct Scheme claims at that time exceeding the Company's distributable funds, General Scheme creditors were informed that no General Final Claims Time would be set and there would be no distributions to General Scheme Creditors.

### Payments

On 29 August 2023, based on the claims progress at that time, we set the initial Direct Payment Percentage at 25%, 25c in the US\$1 of agreed claims. During September 2023 we completed payments totalling \$21,396,006 to all Direct Scheme Creditors with an agreed claim value who had received a Determination Notice. In February 2024, following

further progress, we paid a further 5c in the \$1 to Direct Scheme Creditors, bringing the Direct Payment Percentage to 30c in the US\$1.

In the period to 9 December 2024, we recovered all remaining assets of the Company and agreed the final Direct Scheme claims which were outstanding at the beginning of the reporting period. This resulted in total agreed claims being valued at \$85.6m, representing a significant reduction compared to submitted claim values.

On 2 December 2024, we informed Direct Scheme Creditors of an increase in the Direct Payment Percentage and that a third and final payment would be made. This increased the Direct Payment Percentage for all Eligible Creditors by 4.07c in the \$1 to 34.07%, with an additional payment of 1.78c in the \$1 for US domiciled Direct Scheme Creditors in respect of their proportion of funds recovered from the US Trust Fund.

The Liquidators have now made three payments to creditors with agreed claims totalling 35.85c in the \$1 to US domiciled Direct Scheme Creditors and 34.07c in the \$1 to non-US domiciled Direct Scheme Creditors. In total \$30,660,298.09 has been distributed to Direct Scheme Creditors<sup>1</sup> as follows:

- 25c in the 1\$ to all Direct Scheme Creditors with agreed claims - September 2023
- 5c in the 1\$ to all Direct Scheme Creditors with agreed claims - February 2024
- 4.07c in the 1\$ to all Direct Scheme Creditors with agreed claims - December 2024
- 1.78c in the 1\$ to US domiciled Direct Scheme Creditors with agreed claims - December 2024

The following table summarises the outcome for creditors.

Creditors are reminded that The Insurers (Reorganisation and Winding Up) Regulations 2004 applied to Stronghold Insurance Company Limited. The effect of these regulations was that direct insurance creditors had priority over other classes of unsecured creditors, including cedants.

| <b>Class of creditor<sup>2</sup></b>    | <b>Distributed (c in \$)</b> | <b>Previous estimate in the Liquidation (c in \$)</b> |
|---|------------------------------|---|
| <b>Direct Scheme - US creditors</b>     | 35.85c                       | 31c - 35c   |
| <b>Direct Scheme - Non-US creditors</b> | 34.07c                       | 30c - 33c   |
| <b>General Scheme Creditors</b>         | Nil                          | Nil   |

Please note that no further payments will be made.

## What you need to do

This report is for your information and you do not need to do anything.

### Creditors' rights

The enclosed Notice of Final Account gives details of creditors' rights to request further information, challenging the Liquidators' remuneration and expenses and objecting to the Liquidators' release from liability.

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at: [icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/liquidations-creditor-fee-guide-1-april-2021.ashx?la=en](https://icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/liquidations-creditor-fee-guide-1-april-2021.ashx?la=en)

You can also request a free copy by emailing [louis.isaacson@pwc.com](mailto:louis.isaacson@pwc.com).

<sup>1</sup> Two creditor distribution payments were paid shortly after the 9 December 2024 period end, following confirmation of payee bank account details.

<sup>2</sup> There was no floating charge registered against the Company's assets. Given the low number of employees and low value of their potential preferential claims, all preferential claims were settled early in the Administration.

# Overview of what we have done during the Administration and Liquidation

We summarise below the Company's background and reasons for its insolvency. For further information relating to the Company and its insolvency, please refer to the Company Website and our Proposals document.

- The Company was incorporated in 1962 and during its active underwriting life it wrote excess of loss and stop loss insurance business, and risks of a similar nature. It wrote direct and reinsurance USA Casualty business for the London market and USA companies. As a result of increasing US asbestos-related, environmental pollution and health hazard claims coming from the USA in the early 1980s, the Company was placed into solvent run-off in 1985.
- Upon introduction of the Solvency II directive in 2016, the Company was no longer able to meet the minimum capital requirement imposed under that regulation. A solvent scheme of arrangement was proposed but was ultimately not implemented.
- As a result, the directors took steps to place the Company in Administration since the liabilities of the Company were believed to exceed the assets.

## Administration

On 27 June 2019 Nigel Rackham and I were appointed Administrators of the Company. The key activities undertaken during the Administration were:

- securing all cash held by the Company and subsequently transferring this to new Administration bank accounts which were managed and invested appropriately;
- determining the Administration strategy and setting out the proposal for achieving the objective of the Administration;
- developing the Direct Scheme and General Scheme which both became effective on 11 February 2021;
- maintaining appropriate cash flow for the company, managing receipts and payments and maintaining appropriate records of transactions;
- recovering \$1.37m of non drawn-down Letters of Credit;
- selling the freehold property in Norwich for £620k (gross of fees);
- maximising reinsurance debtor recoveries, collecting £444k from book debts;
- recovering £73k of funds held in escrow with various US attorneys and £41k from investments;
- retaining three employees to support us in achieving the objectives of the Administration;
- requesting data exhibits from Direct Scheme Creditors to support their claims so that responses were ready for assessment;
- gaining chapter 15 recognition in the US Courts for the Administration and then the Schemes;
- dealing with the 46 ongoing US litigated cases active at the time of our appointment;
- replacing the redundant hardware and transitioning the Company to a cloud based system;
- forming a Creditors' Committee and then keeping them informed on material decisions and the agreement of our fees;
- completing various required insolvency and regulatory submissions;
- keeping creditors informed about the progress in the Administration and with the Schemes;
- filing the relevant corporation tax and VAT returns; and
- preparing a remuneration report for our work in the insolvency.

## Liquidation

The Administration ended on 10 December 2021, when the Company went into Liquidation and Nigel Rackham and I were appointed as Liquidators. The key activities undertaken during the Liquidation were:

- reaching agreement with the NYDFS regarding how the US Trust Fund should be distributed;
- realising value from the remaining non-cash assets held, such as reinsurance debtors;

- following discussions with the Liquidation Committee, appointing PwC's actuarial team to support with the claims review and agreement process;
- managing, assessing and agreeing claims made against the Company;
- concluding the Company's participation in various US litigation cases;
- liaising with Company management and staff regarding matters pertinent to the Schemes;
- terminating the employment of the three Company employees originally retained in the Administration;
- retaining one employee as a consultant on an hours worked basis to assist with resolving creditor claims and the winding down of the Company;
- forming a Liquidation Committee and then keeping them informed on material decisions and the agreement of our fees;
- liaising with suppliers regarding the supply of services necessary for trading and exit from commitments;
- terminating all existing third party relationships with suppliers including the Company's IT contract;
- transferring and safeguarding the required books and records for the statutory period post the Company's closure;
- obtaining tax clearance from HMRC and submitting final VAT returns;
- keeping creditors informed about the progress in the Liquidation and with the Schemes;
- facilitating three distributions to Direct Scheme Creditors;
- terminating the Schemes and Liquidation Committee; and
- completing necessary closure steps for the Company including closing the Liquidation bank accounts.

The following is a brief summary of how we have dealt with each of these matters in the Liquidation. Later in this report we focus specifically on what has been done since we previously reported to creditors.

## Operations

### Employees

Following the termination of two of the three retained employee's contacts, the third and only remaining employee left the Company on 31 March 2023 in accordance with the contractual notice period. This employee was subsequently retained as a consultant on an hours worked basis, to assist with resolving creditor claims and the winding down of the Company.

### Company data

We terminated the Company's IT contract, as it was no longer required, and we transferred all Company data into our possession.

### US litigation

Stronghold ceased its participation in a number of the US litigation cases it was previously involved with. All relevant parties were informed about the Schemes and the process for resolving claims against the Company.

## Asset recoveries

### Reinsurance debtors

We completed a successful sale of the remaining reinsurance book for a total of \$254,310. We also completed other reinsurance collections with total recoveries from reinsurance totalling over \$1m.

### US Trust Fund

We successfully recovered US\$1.5m from the US Trust Fund in June 2023, being the full balance of the funds held in the fund, following discussions with, and the agreement of, the NYDFS and the NAIC.



# Claims assessment

## Direct Scheme Creditor Claims and payments

68 claims were received from Direct Scheme Creditors prior to the Direct Scheme Final Claims Time of 10 August 2021. Due to the complexity and scale of the submitted claims, PwC's actuarial team was engaged at the end of October 2021 to support the three Stronghold staff and the PwC non-actuarial team with the assessment of Direct Scheme Creditor Claims. The appointment of the actuarial team was approved by the Creditors' Committee.

Further information on claims progress and payments to Direct Scheme Creditors can be found in the 'Key messages and outcome for creditors' section at pages 4 and 5.

# Stakeholder engagement

## Creditors' Committee and Liquidation Committee

We are grateful to the Creditors' Committee and the Liquidation Committee for their dedicated support in the Administration and Liquidation.

# Other statutory information

## Taxation and VAT

We filed the final tax return and submitted the tax clearance application to HMRC on 22 February 2023. Confirmation that the tax clearance had been approved was subsequently provided by HMRC.

We filed an application to deregister Stronghold for VAT on 26 October 2023 as part of the steps to close the Liquidation and the Schemes.

## Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

# Progress in the period 10 December 2023 to 9 December 2024

## Claims assessment

### Direct and General Scheme Creditors

All outstanding Direct Scheme claims were agreed and concluded, with no creditor claims requiring adjudication. Total agreed claims were \$85.6m, representing a significant reduction compared to submitted claim values.

### Distributions to Direct Scheme Creditors

In February 2024, we paid a total of \$4,279,201.28 to creditors with agreed claims in the Direct Scheme. This brought the Direct Payment Percentage to 30c in the \$1 and a total paid value of \$25,675,207.68.

On 2 December 2024, we informed Direct Scheme Creditors that a third and final distribution had been agreed. This final distribution increased the Direct Payment Percentage for all Eligible Creditors by 4.07c in the \$1 to 34.07% of agreed claims, with an additional payment of 1.78c in the \$1 for US domiciled Direct Scheme Creditors in respect of their proportion of funds recovered from the US Trust Fund.

The Liquidators have now paid three distributions to creditors with agreed claims totalling 35.85c in the \$1 to US domiciled Direct Scheme Creditors and 34.07c in the \$1 to non-US domiciled Direct Scheme Creditors. In total \$30,660,298.09<sup>3</sup> has been distributed to Direct Scheme Creditors.

## Operations

### Company data

We concluded the safe transfer of all electronic data into our possession. These records will remain in safe storage until the mandatory retention policy expires, at which point the records can be securely disposed of.

### Treasury management

We continued to undertake ongoing monitoring of assets under investment, including any required credit, operational, settlement and risk management tasks.

In advance of the third and final dividend payment to Direct Scheme Creditors, all funds were removed from interest bearing accounts so that final bank interest could be applied ahead of the payments being made. At the end of the period the Company held funds of \$115,013, representing two outstanding creditor distribution payments which were paid shortly after the period following confirmation of payee bank account details.

## Stakeholder engagement

### Creditors

We shared various progress updates with creditors in the period via our Company Website and via email and/or post including:

- an updated remuneration report (12 August 2024); and
- notice of the Direct Payment increase to Direct Scheme Creditors (2 December 2024).

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<sup>3</sup> Two creditor distribution payments were paid shortly after the period following confirmation of payee bank account details.

## Regulatory engagement

The Company was an authorised and regulated insurance company and as such had to comply with various regulatory requirements and submissions.

During the period we completed all necessary regulatory compliance obligations and kept the Company's Regulators informed of progress in the period and our intention to close the Company in early 2025.

## Liquidation Committee

We have kept the Liquidation Committee updated on progress throughout the period and consulted them on key matters including claims progress, outcomes for creditors and distributions.

During the period Gregory Lascelles was replaced by Ben Lenhart as the representative for Warren Pumps LLC and John Lebold was replaced by Gregory V. Jolivette as the representative for the Sherwin Williams Company.

## Fee approval

In November 2023 and September 2024 the Liquidation Committee approved PwC's fees and expenses to 30 June 2023 and 30 June 2024 respectively. Fee packs for the periods ended 9 December 2023 and 30 June 2024 were shared with the Liquidation Committee in February 2024 and August 2024.

A revised remuneration report was issued to creditors and made available on the Company Website on 12 August 2024. The report explained the revised fee estimate for our work in the insolvency from appointment to closure. Our previous estimate was increased by £169,499.

In order to achieve an efficient and timely wind down of the Liquidation and Schemes, for the period from 1 July 2024 to the closure of Stronghold, the Liquidators agreed with the Liquidation Committee to charge fees on a time costs basis up to a cap of £132,000 plus VAT.

The Liquidators have drawn all agreed fees in relation to the closure of the Company and no further invoices will be raised. In total during the period of the Administration and the Liquidation, PwC have been paid Office Holders' fees of £3,607,031, Office Holders' expenses of £19,306 and Scheme advisor fees (PwC Actuarial team) of £1,239,889.

Our final fees are lower than the estimate in our revised remuneration report of 12 August 2024.

## Other statutory information

### Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the Liquidation from 10 December 2023 to 9 December 2024. The table of receipts and payments also includes total values in the Administration and cumulative values for the Liquidation to 9 December 2024. Columns (G) to (I) refer to the period from 10 December 2024 to 15 January 2025 which is discussed in further detail in the section 'Progress from 10 December 2024 to closure'.

### Our fees and expenses

We set out in Appendix B a statement of the expenses we have incurred in the Liquidation from 10 December 2023 to 9 December 2024. The table of expenses also includes total expenses in the Administration and cumulative expenses for both the Administration and Liquidation to 9 December 2024.

We set out in Appendix C an update on our fees, disbursements and other related matters. The basis of our fees was agreed in the Administration and our fees have been reviewed and approved by the Liquidation Committee.

### Taxation and VAT

We fulfilled our duties in relation to tax during the Liquidation and filed VAT and corporation tax returns for all relevant accounting periods.

In the period, £87,935 was paid to the Company by HMRC relating to VAT recoveries for previously submitted VAT returns. To date, VAT totalling £530,833 has been repaid to Stronghold. All VAT returns have now been submitted to HMRC including a final VAT 426 return for £120,720.

The remaining VAT receivable will be used to settle final outstanding PwC fees, which enabled the early distribution of the third and final payment to Direct Scheme Creditors. This approach was agreed with the Creditors' Committee.

## What remained outstanding

A small number of matters remained outstanding at the end of the period, which have now been completed and are explained in the section below: 'Progress from 10 December 2024 to closure'.

At 10 December 2024, the following tasks remained outstanding:

- pay the outstanding distribution to two Direct Scheme Creditors;
- terminate the Direct and General Schemes of Arrangement;
- deregister the Company with its Regulators;
- close the Company bank accounts and cancel bonding on behalf of the Liquidators; and
- issue this third and final Liquidators' progress report to creditors.

# Progress from 10 December 2024 to closure

## Claims assessment

### Distributions to Direct Scheme Creditors

We paid the two outstanding creditor distribution payments once the outstanding issues were resolved. This brought all bank account balances to \$nil.

### Schemes of Arrangement

The Direct and General Schemes of Arrangement were terminated on 24 December 2024 in accordance with the terms of the Schemes. All notices, including the Scheme terminations, can be found on the Company Website.

## Stakeholder engagement

### Creditors

On 24 December 2024 we shared the two termination notices of the Direct Scheme and General Scheme with creditors via our Company Website. We also shared this third and final progress report.

### Regulatory engagement

We have filed the relevant information with a request to the Regulator to deregister the Company.

### Liquidation Committee

The Liquidation Committee had no further involvement after the payment of the third and final distribution to Direct Scheme Creditors. We are extremely grateful to the Liquidation Committee for their dedicated support in the Administration and Liquidation.

## Other statutory information

### Our final receipts and payments account

The only receipts and payments in the period relate to the two Direct Scheme Creditors payments, totalling \$115,013, which were paid shortly after the period ended 9 December 2024 following confirmation of payee bank account details.

We set out in Appendix A an account of our receipts and payments in the Liquidation from 10 December 2024 to 15 January 2025. The table of receipts and payments also includes total values in the Administration and cumulative values for both the Administration and Liquidation to 15 January 2025.

### Our fees and expenses

We set out in Appendix B a statement of the expenses we have incurred in the Liquidation from 10 December 2024 to 15 January 2025. The table of expenses also includes total expenses in the Administration and cumulative expenses for both the Administration and Liquidation to 15 January 2025.

No Office Holders' fees or expenses have been billed since 10 December 2024.

### What we still need to do

The winding up of the Company is now complete. Following the end of the period within which creditors may object to our release, we will send a copy of this final account to the Registrar of Companies with a statement of whether any creditors of the Company objected. We will vacate office on sending the copy report and statement.

If you have any questions, please get in touch with Louis Isaacson via email at [louis.isaacson@pwc.com](mailto:louis.isaacson@pwc.com).

Yours faithfully

For and on behalf of the Company

A handwritten signature in black ink, appearing to read 'Dan Yoram Schwarzmann', with a long horizontal flourish extending to the right.

**Dan Yoram Schwarzmann**

**Liquidator**

# Appendix A: Receipts and payments

|  | (A)                  | (B)   | (C)   | (D)   | (E)   | (F)   | (G)   | (H)   | (I)   | (J)   | (K)   |
|--|----------------------|---|---|---|---|---|---|---|---|---|---|
|  | Statement of affairs | From 26 June 2019 to 9 December 2021 - GBP Equivalent | Total from 10 December 2021 to 9 December 2023 - GBP Equivalent | From 10 December 2023 to 9 December 2024        | From 10 December 2023 to 9 December 2024        | From 10 December 2023 to 9 December 2024 - GBP Equivalent | From 10 December 2024 to 15 January 2025        | From 10 December 2024 to 15 January 2025        | From 10 December 2024 to 15 January 2025 - GBP Equivalent | Total from 10 December 2021 to 15 January 2025 - GBP Equivalent | Total from 26 June 2019 to 15 January 2025 - GBP Equivalent |
| Notes                                    | €                    | €   | €   | €   | US\$  | €   | €   | US\$  | €   | €   | €   |
| <b>RECEIPTS</b>                          |                      |   |   |   |   |   |   |   |   |   |   |
| Brought forward from Administration      | -                    | -   | 24,489,816  | -   | -   | -   | -   | -   | -   | 24,489,816  | -   |
| Freehold land and property               | 580,000              | 620,000   | -   | -   | -   | -   | -   | -   | -   | -   | 620,000   |
| Cash in hand                             | 26,396,375           | 24,426,095  | -   | -   | -   | -   | -   | -   | -   | -   | 24,426,095  |
| Other financial investments              | 4,191,489            | 4,297,966   | -   | -   | -   | -   | -   | -   | -   | -   | 4,297,966   |
| Deposits with ceding undertakings        | 487,786              | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   |
| Reinsurers' share of technical provision | 100,000              | 20,377  | -   | -   | -   | -   | -   | -   | -   | -   | 20,377  |
| Reinsurance debtors                      | 1,006,304            | 443,872   | 426,533   | -   | -   | -   | -   | -   | -   | 426,533   | 870,405   |
| Other debtors                            | 22,853               | 22,438  | 1,196,001   | -   | -   | -   | -   | -   | -   | 1,196,001   | 1,218,439   |
| Insurance claims and refunds             | -                    | 1,168   | 1,171   | -   | -   | -   | -   | -   | -   | 1,171   | 2,339   |
| Accrued interest and rent                | 87,470               | 87,470  | -   | -   | -   | -   | -   | -   | -   | -   | 87,470  |
| Bank interest                            | 1                    | 292,618   | 1,388,670   | 1,916   | 313,743   | 248,044   | -   | -   | -   | 1,636,714   | 1,929,332   |
| Fixtures and fittings                    | -                    | 2,284   | -   | -   | -   | -   | -   | -   | -   | -   | 2,284   |
| Escrow funds                             | -                    | 73,400  | -   | -   | -   | -   | -   | -   | -   | -   | 73,400  |
| Interest received on VAT refund due      | -                    | -   | -   | 4,145   | -   | 4,145   | -   | -   | -   | 4,145   | 4,145   |
| VAT recovered                            | 4                    | 116,826   | 264,839   | 149,168   | -   | 149,168   | -   | -   | -   | 414,007   | 530,833   |
| Exchange rate gain/loss                  | 1, 2                 | (522,556)   | 1,224,864   | (107,659)                                       | -   | (107,659)   | 4,057   | -   | 4,057   | 1,121,261   | 598,705   |
| <b>Total</b>                             |                      | <b>32,872,277</b>                                     | <b>29,881,958</b>   | <b>47,570</b>                                   | <b>313,743</b>                                  | <b>297,247</b>  | <b>4,057</b>                                    | <b>-</b>  | <b>4,057</b>  | <b>29,289,649</b>   | <b>34,681,791</b>   |
| <b>PAYMENTS</b>                          |                      |   |   |   |   |   |   |   |   |   |   |
| Direct labour                            | -                    | 1,123,940   | 1,221,361   | -   | -   | -   | -   | -   | -   | 1,221,361   | 2,345,301   |
| Direct expenses                          | -                    | 6,720   | 4,326   | -   | -   | -   | -   | -   | -   | 4,326   | 11,046  |
| Sub contractors and IT                   | -                    | 172,148   | 89,707  | -   | -   | -   | -   | -   | -   | 89,707  | 261,855   |
| Rates                                    | -                    | 56,020  | -   | -   | -   | -   | -   | -   | -   | -   | 56,020  |
| Heat, light and utilities                | -                    | 14,436  | -   | -   | -   | -   | -   | -   | -   | -   | 14,436  |
| Telephone                                | -                    | 6,519   | -   | -   | -   | -   | -   | -   | -   | -   | 6,519   |
| Insurance                                | -                    | 14,800  | 480   | -   | -   | -   | -   | -   | -   | 480   | 15,280  |
| Professional fees                        | 1                    | 250,572   | 62,318  | 14,409  | 28,800  | 37,002  | -   | -   | -   | 99,320  | 349,892   |
| Repairs and maintenance                  | -                    | 7,580   | -   | -   | -   | -   | -   | -   | -   | -   | 7,580   |
| Office costs, stationery and postage     | -                    | 42,077  | 670   | -   | -   | -   | -   | -   | -   | 670   | 42,747  |
| Licences, trade marks, royalties         | -                    | 120   | 80  | 40  | -   | 40  | -   | -   | -   | 120   | 240   |
| Office Holders' pre-appointment fees     | -                    | 93,411  | -   | -   | -   | -   | -   | -   | -   | -   | 93,411  |
| Office Holders' fees                     | 3                    | 1,861,288   | 1,278,077   | 467,866   | -   | 467,866   | -   | -   | -   | 1,745,743   | 3,607,031   |
| Office Holders' expenses                 | -                    | 7,395   | 1,448   | 10,463  | -   | 10,463  | -   | -   | -   | 11,911  | 19,306  |
| Legal fees and expenses                  | 1                    | 1,113,580   | 167,459   | 36,394  | 1,514   | 37,582  | -   | -   | -   | 205,041   | 1,318,621   |
| Statutory advertising                    | -                    | 77  | 87  | -   | -   | -   | -   | -   | -   | 87  | 164   |
| Scheme advertising                       | -                    | 32,561  | -   | -   | -   | -   | -   | -   | -   | -   | 32,561  |
| Scheme advisor fees                      | 5                    | -   | 1,239,889   | -   | -   | -   | -   | -   | -   | 1,239,889   | 1,239,889   |
| Independent fee assessor                 | -                    | 22,950  | 12,150  | -   | -   | -   | -   | -   | -   | 12,150  | 35,100  |
| Finance/bank interest and charges        | -                    | 912   | 397   | -   | -   | -   | -   | -   | -   | 397   | 1,309   |
| Storage                                  | -                    | 2,666   | -   | 2,986   | -   | 2,986   | -   | -   | -   | 2,986   | 5,652   |
| Irrecoverable VAT                        | 4                    | 158,387   | 138,917   | 48,161  | -   | 48,161  | -   | -   | -   | 187,078   | 345,465   |
| VAT paid                                 | 4                    | 403,985   | 171,675   | -   | -   | -   | -   | -   | -   | 171,675   | 575,860   |
| Prescribed part                          | 6                    | -   | -   | -   | -   | -   | -   | -   | -   | -   | -   |
| Dividend to Direct Scheme Creditors      | 1, 6                 | -   | 17,026,942  | -   | 9,146,685                                       | 7,175,483   | -   | 115,013   | 94,283  | 24,296,708  | 17,026,942  |
| <b>Total</b>                             |                      | <b>5,392,144</b>                                      | <b>21,415,983</b>   | <b>580,119</b>                                  | <b>9,176,999</b>                                | <b>7,779,382</b>  | <b>-</b>  | <b>115,013</b>                                  | <b>94,283</b>   | <b>29,289,648</b>   | <b>34,681,792</b>   |
| <b>Net Receipts/(Payments)</b>           |                      | <b>24,489,814</b>                                     | <b>7,575,911</b>  | <b>(532,548)</b>                                | <b>(8,863,256)</b>                              | <b>(7,485,684)</b>  | <b>4,057</b>                                    | <b>(115,013)</b>                                | <b>(86,170)</b>   | <b>-</b>  | <b>-</b>  |
| <b>MADE UP AS FOLLOWS</b>                |                      | <b>As at 9 December 2021</b>                          | <b>As at 9 December 2023</b>                                    | <b>From 10 December 2023 to 9 December 2024</b> | <b>From 10 December 2023 to 9 December 2024</b> | <b>As at 9 December 2024</b>                              | <b>From 10 December 2024 to 15 January 2025</b> | <b>From 10 December 2024 to 15 January 2025</b> | <b>As at 15 January 2025</b>                              |   |   |
|  |                      | €   | €   | €   | \$  | €   | €   | \$  | €   |   |   |
| Barclays Bank Plc GBP account            |                      | 2,308,601   | 136,855   | -   | -   | -   | -   | -   | -   |   |   |
| Barclays Bank Plc USD account            | 1                    | 6,808,211   | 1,224,857   | -   | 115,013   | 90,227  | -   | -   | -   |   |   |
| DBS Bank Limited (Money market deposit)  |                      | -   | 6,208,837   | -   | -   | -   | -   | -   | -   |   |   |
| OCBC Bank Limited (Money market deposit) |                      | -   | -   | -   | -   | -   | -   | -   | -   |   |   |
| HSBC Bank Plc USD account                |                      | 15,373,004  | 5,362   | -   | -   | -   | -   | -   | -   |   |   |
| <b>Balance of funds held</b>             |                      | <b>24,489,816</b>                                     | <b>7,575,911</b>  | <b>-</b>  | <b>115,013</b>                                  | <b>90,227</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>  |   |   |

The table above represents our third and final receipts and payments account in the Liquidation, from 10 December 2023 to 9 December 2024 and from 10 December 2024 to 15 January 2025. The table also includes total values in the Administration and cumulative values for both the Administration and Liquidation to 15 January 2025, when we concluded our work.

The headings for each of the columns are as follows:

- (A) Statement of affairs value;
- (B) Receipts and payments in the Administration - GBP equivalent;
- (C) Receipts and payments in the first 24 month period of the Liquidation - GBP equivalent;
- (D) Receipts and payments in the 12 month period to 9 December 2024 incurred in £;
- (E) Receipts and payments in the 12 month period to 9 December 2024 incurred in US\$;
- (F) Receipts and payments in the 12 month period to 9 December 2024 - GBP equivalent;
- (G) Receipts and payments in the period to closure from 10 December 2024 incurred in £;
- (H) Receipts and payments in the period to closure from 10 December 2024 incurred in US\$;
- (I) Receipts and payments in the period to closure from 10 December 2024 - GBP equivalent;
- (J) Total receipts and payments in the Liquidation to 15 January 2025 - GBP equivalent;
- (K) Total receipts and payments - GBP equivalent.

### Notes

Note 1 - The total GBP equivalent is a US\$/£ exchange rate (1:0.81976) as of 15 January 2025 and (1:0.78449) as of 9 December 2024. The previous period's US\$/£ exchange rate was (1:0.7958) as at 9 December 2023. As per the final report in the Administration, the US\$/£ exchange rate was (1:0.75011) as at 26 November 2021.

Note 2 - An exchange rate loss has arisen from a change in value of the funds held over the total extended period due to the £ appreciating against the US\$. This is a theoretical loss, stated for presentational reasons given the receipts and payments are presented in GBP but the majority of the funds were held and claims paid in USD.

Note 3 - As explained further in the section 'Our time charging policy and hourly rates', our fees are based on time costs. The receipts and payments account shows the amount(s) paid in the period and total to date. Part of the final Office Holders' fees invoice is to be paid by HMRC and has been assigned from Stronghold to PwC UK.

Note 4 - All amounts are shown exclusive of VAT, with VAT paid being included as a separate item under Payments.

Note 5 - Scheme advisor fees represent payments in respect of the PwC actuarial team's work supporting the claims assessment process. There were no Scheme advisor fees in the period.

Note 6 - In February 2024 we paid a second dividend payment of US\$4.3m and in December 2024 we paid a third and final dividend payment of US\$5.0m to Direct Scheme creditors.

All notices of Direct Payment Percentage increases were sent to creditors and uploaded to the Company Website. There was no prescribed part.

There have been no payments made to us, our firm or our associates other than from the insolvent estate as shown in the receipts and payments account provided above.



# Appendix B: Expenses

Expenses are amounts properly payable by us as liquidators from the estate but exclude our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. Expenses fall into two categories:

| Expense           | SIP9 definition   |
|-------------------|---|
| <b>Category 1</b> | Payments to persons providing the service to which the expense relates who are not an associate of the office holder.   |
| <b>Category 2</b> | Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates). |

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the Liquidation Committee) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

The following tables provide a breakdown of the Category 2 expenses incurred in the periods, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and have been recharged to the case:

| Category  | Expense   | Costs incurred £ |
|---|---|------------------|
| 2   | Printing  | 242.00           |
| 1   | System maintenance fee<br>Storage and archiving<br>Postage <sup>5</sup> | 838.00           |
| <b>Total in the period from 10 December 2023 to 9 December 2024</b> |   | <b>1,080.00</b>  |
| Brought forward disbursements as at 9 December 2023                 |   | 18,234.67        |
| <b>Total to 9 December 2024</b>                                     |   | <b>19,314.67</b> |

| Category  | Expense              | Costs incurred £ |
|---|----------------------|------------------|
| 1   | Postage <sup>4</sup> | 12.30            |
| <b>Total in the period from 10 December 2024 to 15 January 2025</b> |                      | <b>12.30</b>     |
| Brought forward disbursements as at 9 December 2024                 |                      | 19,314.67        |
| <b>Total to 15 January 2025</b>                                     |                      | <b>19,326.97</b> |

Category 1 and Category 2 expenses are shared with the Liquidation Committee as part of our fee pack review and approval process. All expenses above have been approved by the Liquidation Committee as part of the fee resolutions agreed in September 2024.

The table below provides details of the expenses incurred in the Administration, the 12 month period to 9 December 2024, the period from 10 December 2024 to 15 January 2025 and cumulative expenses for the Liquidation, as well as the variance to the estimates provided in the revised remuneration report from 12 August 2024. This table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

<sup>4</sup> Postage of £8.00 and £12.30 was incurred but not recharged to the estate.

The table below provides details of all the expenses incurred in the Administration and Liquidation. None of the expenses incurred from 10 December 2024 to 15 January 2025 were billed.

| Nature of expense   | Brought forward from the Administration | Brought forward in the CVL as at 9 December 2023 | Incurred from 10 December 2023 to 9 December 2024 | Incurred from 10 December 2024 to 15 January 2025 | Total incurred costs in the Liquidation | Total incurred costs in the Administration and Liquidation | Updated estimate from 12 August 2024 Remuneration Report | Variance        |       |
|---|---|--|---|---|---|--|--|-----------------|-------|
|   | £                                       | £  | £   | £   | £                                       | £  | £  | £               |       |
| Gross wages, salaries and staff costs   | 1,124,888                               | 568,896  | 14,409  | -   | 583,305                                 | 1,708,193  | 1,708,193  | -               |       |
| Employee retention and incentives   | -                                       | 700,000  | -   | -   | 700,000                                 | 700,000  | 700,000  | -               |       |
| Rent and rates  | 1                                       | 88,970   | -   | -   | -                                       | 88,970   | 88,970   | -               |       |
| Other operating expenses  | 2                                       | 402,869  | 77,722  | -   | 77,722                                  | 480,591  | 480,591  | -               |       |
| Agents' fees and disbursements - Davies Intermediary Support Services Limited (previously Requierm) | 53,182                                  | 19,668   | -   | -   | 19,668                                  | 72,850   | 72,850   | -               |       |
| Agents' fees and disbursements - Epiq   | 44,753                                  | 5,045  | -   | -   | 5,045                                   | 49,798   | 49,798   | -               |       |
| Agents' fees and disbursements - Larking Gowen  | 2,988                                   | 2,055  | -   | -   | 2,055                                   | 5,043  | 5,043  | -               |       |
| Agents' fees and disbursements - Bidwells   | 9,200                                   | -  | -   | -   | -                                       | 9,200  | 9,200  | -               |       |
| Bank charges  | 911                                     | 397  | -   | -   | 397                                     | 1,308  | 1,808  | 500             |       |
| Letters of Credit charges   | 3,545                                   | -  | -   | -   | -                                       | 3,545  | 3,545  | -               |       |
| Property costs  | 3,536                                   | -  | -   | -   | -                                       | 3,536  | 3,536  | -               |       |
| Insurance   | 14,801                                  | 480  | -   | -   | 480                                     | 15,281   | 15,281   | -               |       |
| Legal fees and expenses - US lawyers  | 19,363                                  | 171,595  | 1,188   | -   | 172,783                                 | 192,146  | 190,958  | (1,188)         |       |
| Legal fees and expenses - Clifford Chance   | 911,056                                 | -  | 36,394  | -   | 36,394                                  | 947,450  | 948,647  | 1,197           |       |
| Legal fees and expenses - Clifford Chance pre-Administration  | 114,873                                 | -  | -   | -   | -                                       | 114,873  | 114,873  | -               |       |
| Legal fees and expenses - McCarthy Denning pre-Administration                                       | 22,508                                  | -  | -   | -   | -                                       | 22,508   | 22,508   | -               |       |
| Office Holders' and Scheme advisor fees   | 3                                       | 2,040,200  | 2,466,822   | 348,283   | 29,739                                  | 2,844,844  | 4,858,920  | (26,124)        |       |
| Office Holders' pre-Administration costs  | 93,411                                  | -  | -   | -   | -                                       | 93,411   | 93,411   | -               |       |
| Office Holders' disbursements   | 4                                       | 14,616   | 3,619   | 1,080   | 12                                      | 4,711  | 19,327   | 21,473          | 2,146 |
| Licenses, trade marks, royalties  | 120                                     | 80   | 40  | -   | 120                                     | 240  | 240  | -               |       |
| Storage costs   | 2,816                                   | -  | 2,986   | -   | 2,986                                   | 5,802  | 5,803  | 1               |       |
| Statutory advertising   | 77                                      | 87   | -   | -   | 87                                      | 164  | 164  | -               |       |
| Additional Scheme costs   | 43,381                                  | -  | 22,593  | -   | 22,593                                  | 65,974   | 66,153   | 179             |       |
| Other Scheme costs  | -                                       | -  | -   | -   | -                                       | -  | -  | -               |       |
| US expert   | 25,798                                  | -  | -   | -   | -                                       | 25,798   | 25,798   | -               |       |
| 1st Counsel   | 118,115                                 | -  | -   | -   | -                                       | 118,115  | 118,115  | -               |       |
| 2nd Counsel   | 91,785                                  | -  | -   | -   | -                                       | 91,785   | 91,785   | -               |       |
| Independent fee assessor  | 25,000                                  | -  | -   | -   | -                                       | 25,000   | 25,000   | -               |       |
| Irrecoverable VAT   | 5                                       | 158,387  | 138,917   | 48,161  | -                                       | 187,078  | 353,045  | 7,580           |       |
| <b>Total expenses</b>   | <b>5,431,149</b>                        | <b>4,155,383</b>                                 | <b>475,133</b>                                    | <b>29,751</b>                                     | <b>4,660,267</b>                        | <b>10,091,416</b>  | <b>10,075,708</b>  | <b>(15,708)</b> |       |

## Notes

Note 1 - Includes the following: council tax, utilities and telephone charges

Note 2 - Includes the following: repairs and maintenance, IT costs, office costs, stationery, postage and other direct expenses.

Note 3 - PwC Office Holders' and Scheme advisor fees includes all non-actuarial and actuarial fees incurred. As stated above, no Office Holders' fees or expenses have been billed since 10 December 2024. Total billed fees were £4,846,920.

Note 4 - Office Holders' disbursements comprise of photocopying and postage, system maintenance fees, storage fees, travel and accommodation. Total billed disbursements were £19,306.

Note 5 - The Company is partially exempt, and so an element of VAT paid has been irrecoverable.

# Appendix C: Remuneration update

## Fee approval

During the Administration, the Creditors' Committee agreed to fix the basis of the Administrators' fees by reference to time properly given by the Administrators and their staff in dealing with the Administration. The fee basis agreed in the Administration continues to apply in the Liquidation. This means that our fees as Liquidators will also be calculated by reference to time properly given by the Liquidators and their staff in dealing with the Liquidation.

As mentioned earlier in this report, the Liquidators agreed with the Liquidation Committee to charge a capped fee of £132,000 plus VAT for all remaining time and expenses from 1 July 2024 to the closure of Stronghold.

The Liquidators have drawn all agreed fees in relation to the closure of the Company and no further invoices will be raised. In total, PwC have been paid Office Holders' fees of £3,607,031, Office Holders' expenses of £19,306 and Scheme advisor fees (PwC Actuarial team) of £1,239,889.

All fees have been discussed and approved by the Creditors' Committee.

## Time cost charges

The time cost charges incurred in the 12 month period from 10 December 2023 to 9 December 2024 are £348,283 (excluding VAT). This includes the £132,000 cap mentioned above. Further time from 10 December 2024 to 15 January 2025 of £29,739 was incurred but not billed to the estate.

We set out later in this Appendix details of our work to date in the Liquidation, expenses, subcontracted work and payments to associates.

On the following pages is a summary of all of the work that has been undertaken through the Administration and Liquidation by the Office Holders and their team.

The total cost of our work billed is lower than the estimate included with the revised remuneration report from August 2024.

## Our hours and average rates

We set out on the following page a breakdown of our work in the period by category, together with totals and average rates. Not all of these amounts were billed pursuant to the fee cap referred to above.

Our work in the 12 month period to 9 December 2024 by category, together with totals and average rates

| Stronghold - SIP9 detailed reporting      | Partner |           | Director |           | Senior Manager |           | Manager |            | Senior Associate |           | Associate/Other |           | Offshore professionals |           | Total for the period |            |                    |
|---|---------|-----------|----------|-----------|----------------|-----------|---------|------------|------------------|-----------|-----------------|-----------|------------------------|-----------|----------------------|------------|--------------------|
|   | Hours   | Costs (£) | Hours    | Costs (£) | Hours          | Costs (£) | Hours   | Costs (£)  | Hours            | Costs (£) | Hours           | Costs (£) | Hours                  | Costs (£) | Hours                | Costs (£)  | Average rate (£/h) |
| Asset realisation                         |         |           |          |           |                |           |         |            |                  |           |                 |           |                        |           |                      |            |                    |
| Treasury management                       | 0.25    | 208.25    | 0.75     | 583.50    | 3.50           | 2,187.50  | 1.30    | 715.00     | 4.90             | 2,146.20  |                 |           |                        |           | 10.70                | 5,840.45   | 546                |
| Total                                     | 0.25    | 208.25    | 0.75     | 583.50    | 3.50           | 2,187.50  | 1.30    | 715.00     | 4.90             | 2,146.20  |                 |           |                        |           | 10.70                | 5,840.45   | 546                |
| Costs of the insolvency process           |         |           |          |           |                |           |         |            |                  |           |                 |           |                        |           |                      |            |                    |
| Creditors' Committee                      |         |           | 1.40     | 1,089.20  | 5.20           | 3,250.00  | 5.00    | 2,750.00   |                  |           |                 |           |                        |           |                      |            |                    |
| Other statutory and compliance            | 0.75    | 624.75    | 9.55     | 7,429.90  | 16.60          | 10,375.00 | 52.40   | 28,820.00  | 9.10             | 3,985.80  |                 |           | 40.20                  | 12,823.80 | 11.60                | 7,089.20   | 611                |
| Reporting to creditors                    | 1.00    | 833.00    | 2.55     | 1,983.90  | 28.10          | 17,562.50 | 49.85   | 27,417.50  | 11.50            | 5,037.00  |                 |           | 32.70                  | 10,431.30 | 128.60               | 64,059.25  | 498                |
| Total                                     | 1.75    | 1,457.75  | 13.50    | 10,503.00 | 49.90          | 31,187.50 | 107.25  | 58,987.50  | 20.60            | 9,022.80  |                 |           | 72.90                  | 23,255.10 | 125.70               | 63,265.20  | 503                |
| Creditor enquiries and management         |         |           |          |           |                |           |         |            |                  |           |                 |           |                        |           |                      |            |                    |
| Creditor enquiries and management         |         |           |          |           | 1.10           | 687.50    | 2.00    | 1,100.00   | 0.50             | 159.50    |                 |           |                        |           | 3.60                 | 1,947.00   | 541                |
| Total                                     |         |           |          |           | 1.10           | 687.50    | 2.00    | 1,100.00   | 0.50             | 159.50    |                 |           |                        |           | 3.60                 | 1,947.00   | 541                |
| Insurance run off                         |         |           |          |           |                |           |         |            |                  |           |                 |           |                        |           |                      |            |                    |
| Liquidators' supervision                  | 1.00    | 833.00    | 4.75     | 3,695.50  | 17.20          | 10,750.00 | 84.75   | 46,612.50  | 42.70            | 18,702.60 |                 |           | 1.20                   | 382.80    | 151.60               | 80,976.40  | 534                |
| Employees                                 |         |           |          |           | 0.50           | 312.50    |         |            |                  |           |                 |           |                        |           | 0.50                 | 312.50     | 625                |
| Receipts and payments                     | 0.25    | 208.25    | 0.50     | 389.00    | 0.90           | 562.50    | 8.00    | 4,400.00   | 21.10            | 9,241.80  | 24.41           | 7,786.79  | 19.10                  | 6,092.90  | 74.26                | 28,681.24  | 386                |
| Total                                     | 1.25    | 1,041.25  | 5.25     | 4,084.50  | 18.60          | 11,625.00 | 92.75   | 51,012.50  | 63.80            | 27,944.40 | 24.41           | 7,786.79  | 20.30                  | 6,475.70  | 226.36               | 109,970.14 | 486                |
| Managing the Company's affairs            |         |           |          |           |                |           |         |            |                  |           |                 |           |                        |           |                      |            |                    |
| Accounting & Treasury                     |         |           | 0.50     | 389.00    | 0.70           | 437.50    | 3.00    | 1,650.00   | 1.95             | 854.10    | 2.60            | 829.40    |                        |           | 8.75                 | 4,160.00   | 475                |
| Chapter 15                                |         |           |          |           |                |           |         |            | 1.45             | 635.10    | 0.40            | 127.60    |                        |           | 1.85                 | 762.70     | 412                |
| Regulatory                                |         |           |          |           | 0.80           | 500.00    | 0.10    | 55.00      |                  |           |                 |           |                        |           | 0.90                 | 555.00     | 617                |
| Tax                                       |         |           |          |           | 0.20           | 125.00    | 0.05    | 27.50      | 8.05             | 3,525.90  |                 |           |                        |           | 8.30                 | 3,678.40   | 443                |
| VAT                                       |         |           |          |           | 2.25           | 1,406.25  | 6.35    | 3,492.50   | 9.20             | 4,029.60  |                 |           |                        |           | 17.80                | 8,928.35   | 502                |
| Total                                     |         |           | 0.50     | 389.00    | 3.95           | 2,468.75  | 9.50    | 5,225.00   | 20.65            | 9,044.70  | 3.00            | 957.00    |                        |           | 37.60                | 18,084.45  | 481                |
| Scheme design and claims agreement        |         |           |          |           |                |           |         |            |                  |           |                 |           |                        |           |                      |            |                    |
| Claims agreement                          | 0.50    | 416.50    | 4.70     | 3,656.60  | 6.40           | 4,000.00  |         |            |                  |           |                 |           |                        |           | 11.60                | 8,073.10   | 696                |
| Total                                     | 0.50    | 416.50    | 4.70     | 3,656.60  | 6.40           | 4,000.00  |         |            |                  |           |                 |           |                        |           | 11.60                | 8,073.10   | 696                |
| Strategy and planning                     |         |           |          |           |                |           |         |            |                  |           |                 |           |                        |           |                      |            |                    |
| Strategy, planning and project management | 2.50    | 2,082.50  | 7.80     | 6,068.40  | 43.50          | 27,187.50 | 39.40   | 21,670.00  | 28.10            | 12,307.80 |                 |           | 2.00                   | 638.00    | 123.30               | 69,954.20  | 567                |
| Total                                     | 2.50    | 2,082.50  | 7.80     | 6,068.40  | 43.50          | 27,187.50 | 39.40   | 21,670.00  | 28.10            | 12,307.80 |                 |           | 2.00                   | 638.00    | 123.30               | 69,954.20  | 567                |
| Total                                     | 6.25    | 5,206.25  | 32.50    | 25,285.00 | 126.95         | 79,343.75 | 252.20  | 138,710.00 | 138.05           | 60,465.90 | 27.91           | 8,903.29  | 95.20                  | 30,368.80 | 679.06               | 348,282.99 | 513                |
| Average rate (£/h)                        |         | 833       |          | 778       |                | 625       |         | 550        |                  | 438       |                 | 319       |                        | 319       |                      |            |                    |

**Our work from 10 December 2024 to 15 January 2025 by category (none of these time costs are billed), together with the grand totals in the Administration and Liquidation and average rates**

| Stronghold - sips detailed reporting  | Partner |           | Director |           | Senior Manager |           | Manager |           | Senior Associate |           | Associate/Other |           | Offshore professionals |           | Total for the period |           | Total from appointment |           | Average rate (£/h) |     |  |     |  |  |
|---|---------|-----------|----------|-----------|----------------|-----------|---------|-----------|------------------|-----------|-----------------|-----------|------------------------|-----------|----------------------|-----------|------------------------|-----------|--------------------|-----|--|-----|--|--|
|   | Hours   | Costs (£) | Hours    | Costs (£) | Hours          | Costs (£) | Hours   | Costs (£) | Hours            | Costs (£) | Hours           | Costs (£) | Hours                  | Costs (£) | Hours                | Costs (£) | Hours                  | Costs (£) |                    |     |  |     |  |  |
| Asset realisation   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Freehold  |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Other physical assets   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Reinsurance and other assets  |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Treasury management   |         |           |          |           | 0.10           | 62.50     |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Total   | 0.00    | 0.00      | 0.00     | 0.00      | 0.10           | 62.50     | 0.00    | 0.00      | 0.00             | 0.00      | 0.00            | 0.00      | 0.00                   | 0.00      | 0.00                 | 0.10      | 62.50                  | 0.00      | 0.00               | 480 |  |     |  |  |
| Costs of the insolvency process   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| CDDA and SFR compliance   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Creditors' Committee  |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Initial letters & notices   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Insurance   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Other statutory and compliance proposals, decision procedure and creditor cons. |         |           | 0.80     | 622.40    | 0.50           | 312.50    | 1.00    | 550.00    | 1.35             | 591.30    |                 |           | 6.50                   | 2,073.50  | 10.15                | 4,148.70  |                        |           |                    |     |  |     |  |  |
| Reporting to creditors  | 0.75    | 634.75    | 1.50     | 1,167.00  | 6.10           | 3,812.50  | 8.50    | 4,675.00  | 2.75             | 1,204.50  |                 |           | 5.00                   | 1,595.00  | 24.60                | 13,078.75 |                        |           |                    |     |  |     |  |  |
| Statement of affairs  |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Total   | 0.75    | 634.75    | 2.30     | 1,789.40  | 6.60           | 4,125.00  | 9.50    | 5,225.00  | 4.10             | 1,795.80  | 0.00            | 0.00      | 11.50                  | 3,668.50  | 34.75                | 17,228.45 |                        |           |                    |     |  |     |  |  |
| Creditor enquiries and management   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Total   | 0.00    | 0.00      | 0.00     | 0.00      | 0.00           | 0.00      | 0.00    | 0.00      | 0.00             | 0.00      | 0.00            | 0.00      | 0.00                   | 0.00      | 0.00                 | 0.00      | 0.00                   | 0.00      | 0.00               |     |  |     |  |  |
| Liquidators' supervision  |         |           |          |           | 0.70           | 437.50    | 4.00    | 2,200.00  |                  |           |                 |           | 0.70                   | 233.30    | 5.40                 | 2,868.80  |                        |           |                    |     |  |     |  |  |
| Employees   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Receipts and payments   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Total   | 0.00    | 0.00      | 0.00     | 0.00      | 0.70           | 437.50    | 5.00    | 2,750.00  | 2.75             | 1,204.50  | 3.05            | 972.95    | 2.70                   | 861.30    | 14.20                | 6,226.25  |                        |           |                    |     |  |     |  |  |
| Managing the company's affairs  |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Accounting & Treasury   |         |           |          |           | 0.50           | 312.50    | 1.00    | 550.00    | 0.10             | 43.80     |                 |           |                        |           | 1.60                 | 906.30    |                        |           |                    |     |  |     |  |  |
| Chapter 15  |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Pensions  |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Pre-appointment attorneys   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Regulatory  |         |           |          |           | 3.20           | 2,000.00  |         |           |                  |           |                 |           |                        |           | 3.20                 | 2,000.00  |                        |           |                    |     |  |     |  |  |
| Tax   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| VAT   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Total   | 0.00    | 0.00      | 0.00     | 0.00      | 3.70           | 2,312.50  | 1.00    | 550.00    | 0.10             | 43.80     | 0.00            | 0.00      | 0.00                   | 0.00      | 4.80                 | 2,906.30  |                        |           |                    |     |  |     |  |  |
| Scheme design and claims agreement  |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Non Actuarial team time   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Actuarial team time   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Total   | 0.00    | 0.00      | 0.00     | 0.00      | 0.00           | 0.00      | 0.00    | 0.00      | 0.00             | 0.00      | 0.00            | 0.00      | 0.00                   | 0.00      | 0.00                 | 0.00      | 0.00                   | 0.00      | 0.00               |     |  |     |  |  |
| Strategy and planning   |         |           |          |           |                |           |         |           |                  |           |                 |           |                        |           |                      |           |                        |           |                    |     |  |     |  |  |
| Strategy, planning and project management                                       |         |           |          |           | 1.05           | 656.25    | 0.45    | 247.50    | 4.05             | 1,773.90  |                 |           | 2.00                   | 638.00    | 7.55                 | 3,315.65  |                        |           |                    |     |  |     |  |  |
| Total   | 0.00    | 0.00      | 0.00     | 0.00      | 1.05           | 656.25    | 0.45    | 247.50    | 4.05             | 1,773.90  | 0.00            | 0.00      | 2.00                   | 638.00    | 7.55                 | 3,315.65  |                        |           |                    |     |  |     |  |  |
| <b>Total*</b>   | 0.75    | 634.75    | 2.30     | 1,789.40  | 12.15          | 7,593.75  | 15.95   | 8,772.50  | 11.00            | 4,818.00  | 3.05            | 972.95    | 16.20                  | 5,167.80  | 61.40                | 29,758.15 |                        |           |                    |     |  |     |  |  |
| <b>Average rate (£/h)</b>   |         |           |          | 833       |                |           | 778     |           |                  | 625       |                 |           | 550                    |           |                      | 438       |                        |           | 319                |     |  | 478 |  |  |
| <b>Total less actuarial costs incurred</b>                                      |         |           |          | 833       |                |           | 778     |           |                  | 625       |                 |           | 550                    |           |                      | 438       |                        |           | 319                |     |  | 478 |  |  |

\* note - total time costs include write-offs which were not billed

## Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the Liquidation. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the Liquidation charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which has been agreed with the Liquidation Committee and is reviewed from time to time. For the avoidance of doubt, work carried out by our cashiers, support and secretarial staff is charged on a time costs basis and is included in the analysis of hourly rates charged by partners or other staff members. Time is charged in three minute units (i.e. 0.05 of an hour). We do not charge general or overhead costs.

Offshore professional colleagues may provide assistance, albeit that the majority of the work on this case will be undertaken by the UK based team. An off-shore professional at the higher end of the fee bracket generally has appropriate insolvency experience or an accounting qualification, depending on the nature of the work and will assist with planning and control of various aspects of the insolvency. An off-shore professional at the lower end of the fee bracket will typically have a finance-related qualification and appropriate skills to complete basic insolvency related tasks and provide administrative support to the team including efficient document preparation and data entry, records management, and general data analytics.

We set out below the maximum charge-out rates per hour for the grades of our staff who worked on the Liquidation including our specialist teams namely Tax, VAT and Pensions.

| <b>Grade</b>                  | <b>From 10 December 2023<br/>£/ hour</b> |
|-------------------------------|--|
| <b>Partner</b>                | 833                                      |
| <b>Director</b>               | 778                                      |
| <b>Senior manager</b>         | 625                                      |
| <b>Manager</b>                | 550                                      |
| <b>Senior associate</b>       | 438                                      |
| <b>Associate</b>              | 319                                      |
| <b>Offshore professionals</b> | 319 to 438                               |

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period. Relevant third parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties are based on standard commercial terms.

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the Liquidation where the relationship could give rise to a conflict of interest.

## Our work since we last reported

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

| Area of work                          | General Description                       | Work Included  |
|---------------------------------------|---|--|
| <b>Asset realisations</b>             | Treasury management                       | <ul style="list-style-type: none"> <li>Assessment of the appropriateness of investment strategy in light of further distributions to Direct Scheme Creditors with agreed claims, liquidity and return requirements;</li> <li>Management and investment of GBP and USD funds held whilst ensuring the swift payment of the further distributions to creditors; and</li> <li>Removing the funds from interest bearing current accounts as part of the closure procedures.</li> </ul> |
| <b>Statutory and reporting</b>        | Liquidation Committee                     | <ul style="list-style-type: none"> <li>Preparation and sharing of the final fee packs and resolutions with the Liquidation Committee;</li> <li>Agree final dividend distribution and resolutions; and</li> <li>Responding to information requests from the Liquidation Committee.</li> </ul>   |
|                                       | Reporting to creditors                    | <ul style="list-style-type: none"> <li>Preparing and issuing this final progress report in the Liquidation to creditors, the regulators and the Registrar of Companies.</li> </ul>   |
|                                       | Regulatory                                | <ul style="list-style-type: none"> <li>Updates to the PRA and FCA on the status and termination of the Liquidation and Schemes; and</li> <li>Filing regulatory returns required by the Regulators.</li> </ul>  |
|                                       | Other statutory and compliance            | <ul style="list-style-type: none"> <li>Maintaining records and documenting key activities and decisions taken;</li> <li>Reviewing and dealing with incoming post;</li> <li>Completing checklists to document statutory compliance and adhering to our diary management system;</li> <li>Filing of documents and emails;</li> <li>Complying with all regulatory requirements including steps for closure; and</li> <li>Closing down internal systems.</li> </ul>                    |
| <b>Dealing with creditors</b>         | Creditor enquiries                        | <ul style="list-style-type: none"> <li>Maintaining the PwC case website, including the provision of key documents on the closure of the Liquidation and Schemes.</li> </ul>  |
| <b>Insurance run off</b>              | Liquidation supervision                   | <ul style="list-style-type: none"> <li>Liaising with the Scheme's legal advisors;</li> <li>Liaising with suppliers and terminating relationships; and</li> <li>Managing key workstreams and next steps to ensure the timely future termination of the estate.</li> </ul>   |
|                                       | Processing receipts and payments          | <ul style="list-style-type: none"> <li>Processing and approving receipts and payments into the accounting system;</li> <li>Sanctions checking suppliers and creditors in line with regulatory requirements in advance of payments and distributions to creditors; and</li> <li>Management and oversight of the second and then third and final dividend process.</li> </ul>  |
| <b>Managing the Company's affairs</b> | VAT                                       | <ul style="list-style-type: none"> <li>Considering the tax treatment of both supplies and purchases in order to ensure the estate is compliant with VAT legislation and the Company's status as a partially-exempt supplier;</li> <li>Preparation and filing of the final VAT426 return and assignment document pack; and</li> <li>Liaising with HMRC, responding to any queries and ensuring that VAT payments or refunds are processed and received by HMRC.</li> </ul>          |
| <b>Scheme of Arrangement</b>          | Scheme review and termination strategy    | <ul style="list-style-type: none"> <li>Finalising the remaining claims; and</li> <li>Providing notices of intentions to declare the second and then a third and final Direct Scheme Creditor distributions.</li> </ul>   |
| <b>Strategy and planning</b>          | Strategy, planning and project management | <ul style="list-style-type: none"> <li>Preparing final fee budgets, including a final fixed fee to closure and monitoring costs;</li> <li>Providing updates to the Liquidators regarding the case exit strategy; and</li> <li>Conducting case reviews on the status of the project.</li> </ul>   |

## Details of subcontracted work

The following work, which we or our staff would normally do, had been subcontracted to the parties listed. At the time of the Administration Appointment, Larking Gowen LLP were the incumbent payroll provider and it remained cost effective to continue with these payroll services. Larking Gowen LLP's services were terminated on 31 March 2023 when the remaining employee left Stronghold's employment. The costs in respect of these services, from inception to closure are included within our expenses table at Appendix B.

| Service provided  | Name of firm/organisation | Reason selected                            | Basis of fees     |
|-------------------|---------------------------|--|-------------------|
| Payroll processor | Larking Gowen LLP         | Pre-existing relationship with the Company | Monthly fixed fee |
| Subcontractor     | Andrew Gregory            | Pre-existing relationship with the Company | Hourly rate       |

## Legal and other professional firms

We instructed the following professionals on this case:

| Service provided                   | Name of firm/organisation                        | Reason selected   | Basis of fees                          |
|------------------------------------|--|---|--|
| Computer and IT Services           | Acora one (formally Computer Service Centre Ltd) | Pre-existing relationship with the Company                          | Monthly charge                         |
| Legal advice on a specific claim   | Hinkhouse Williams Walsh LLP                     | Pre-existing relationship with the Company                          | Time costs                             |
| Legal advice on a specific claim   | Mendes & Mount LLP                               | Pre-existing relationship with the Company                          | Time costs                             |
| Independent fee assessor           | Jamie Drummond-Smith                             | Industry knowledge and insolvency expertise                         | Time costs                             |
| Legal advice                       | Clifford Chance LLP                              | Pre-existing relationship with the Company and insolvency expertise | Time costs and disbursements.          |
| Printing and postage               | Black & Callow Limited                           | Pre-existing relationship with PwC                                  | Variable fee for each mailout.         |
| Computer and IT Services           | Comm Tech Voice and Data Ltd                     | Pre-existing relationship with the Company                          | Variable fee for IT services provided. |
| Insurance cover                    | Specialist Risk Insurance Solutions Ltd          | Pre-existing relationship with the Company                          | Insurance premium                      |
| Books and records storage facility | Iron Mountain                                    | Pre-existing relationship with the Company and PwC                  | Monthly charge                         |

We required all third party professionals to submit time costs analyses (where their fee basis was time costs) and narrative or a schedule of realisations achieved, dependent on their fee basis, in support of invoices rendered. We also reviewed disbursements included on invoices and requested additional documentation when required. All invoices were reviewed before being approved for payment. Throughout their services, we engaged with each party to ensure that the work performed was beneficial to the Administration and Liquidation and that their costs were competitive.



# Appendix D: Other information

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|   |   |
|---|---|
| <b>Court details for the Liquidation:</b>                 | High Court of Justice Business and Property Courts of England and Wales Insolvency and Companies List (ChD) Thursday 25 November 2021 |
| <b>Company's registered name:</b>                         | Stronghold Insurance Company Limited.   |
| <b>Trading name:</b>                                      | Stronghold Insurance Company Limited.   |
| <b>Registered number:</b>                                 | 00736581.   |
| <b>Registered address:</b>                                | 8th Floor Central Square, 29 Wellington Street, Leeds, West Yorkshire, LS1 4DL.   |
| <b>Period of the Administrators' appointment:</b>         | 27 June 2019 to 9 December 2021.  |
| <b>Date of the Liquidators' appointment:</b>              | 10 December 2021.   |
| <b>Liquidators' names, addresses and contact details:</b> | Dan Yoram Schwarzmann and Douglas Nigel Rackham, both of PwC LLP, 7 More London, London, SE1 2RT.                                     |
| <b>Website:</b>   | <a href="http://www.pwc.co.uk/stronghold">www.pwc.co.uk/stronghold</a>  |

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In accordance with  
rule 6.28 of the  
Insolvency (England  
and Wales) Rules  
2016

# Notice of liquidators' final account before dissolution

(a) If the company is  
incorporated outside  
the UK or is an  
unregistered company  
comply with  
IR16 r1.6

**Name of Company**

**Stronghold Insurance Company Limited**

**Company Number**

**00736581**

(b) Insert full names  
of liquidators

We, Dan Yoram Schwarzmann and Douglas Nigel Rackham, the Joint  
Liquidators of the company, give notice to creditors and members that:

(c) Details of these  
rights can be found  
overleaf

- the company's affairs are fully wound up;
- the creditors have the right to request information from the liquidator under rule 18.9 of the Insolvency (England and Wales) Rules 2016 (IR16) (c);
- the creditors have the right to challenge the liquidator's remuneration and expenses under rule 18.34 IR16 (c);
- a creditor may object to the release of the liquidator by giving notice in writing to the liquidator before the end of the prescribed period;
- the prescribed period is the period ending at the later of—
  - eight weeks after delivery of the notice, or
  - if any request for information under rule 18.9 IR16 or any application to court under that rule or rule 18.34 IR16 is made when that request or application is finally determined;
- the liquidator will vacate office under section 171 of the Insolvency Act 1986 (IA86) on delivering to the registrar of companies the final account and notice saying whether any creditor has objected to release; and
- the liquidator will be released under section 173 IA86 at the same time as vacating office unless any of the company's creditors objected to the liquidator's release.

(d) insert a postal  
address for the office-  
holder and either an  
e-mail, or telephone  
number, through  
which the office  
holder may be  
contacted

Dated: 6 February 2025

The Joint Liquidators' contact details are:

Postal address: PricewaterhouseCoopers LLP  
7 More London Riverside, London, SE1 2RT

Email address: louis.isaacson@pwc.com

Telephone number: 020 7583 5000

### **Creditors' right to request information under rule 18.9 IR16**

The following may make a written request to the liquidator(s) for further information about remuneration or expenses set out in a final account—

- (a) a secured creditor;
- (b) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question); or
- (c) any unsecured creditor with the permission of the court.

A request, or an application to the court for permission, by such a person or persons must be made or filed with the court (as applicable) within 21 days of receipt of the account by the person, or by the last of them in the case of an application by more than one member or creditor.

The liquidator(s), within 14 days of receipt of such a request respond to the person or persons who requested the information by—

- (a) providing all of the information requested;
- (b) providing some of the information requested; or
- (c) declining to provide the information requested.

The liquidator(s) may respond by providing only some of the information requested or decline to provide the information if—

- (a) the time or cost of preparation of the information would be excessive; or
- (b) disclosure of the information would be prejudicial to the conduct of the proceedings;
- (c) disclosure of the information might reasonably be expected to lead to violence against any person; or
- (d) the liquidator is subject to an obligation of confidentiality in relation to the information.

A liquidator who does not provide all the information or declines to provide the information must inform the person or persons who requested the information of the reasons for so doing.

A creditor who need not be the same as the creditor or members who requested the information, may apply to the court within 21 days of—

- (a) the liquidator giving reasons for not providing all of the information requested; or
- (b) the expiry of the 14 days within which an liquidator must respond to a request.

The court may make such order as it thinks just.

### **Creditors' right to challenge the liquidator's remuneration and expenses under rule 18.34 IR16**

An application to court may be made in a winding-up on the grounds that—

- (a) the remuneration charged by the liquidator(s) is in all the circumstances excessive;
- (b) the basis fixed for the liquidators' remuneration under rules 18.16 and 18.20 IR16 is inappropriate; or
- (c) the expenses incurred by the liquidator(s) are in all the circumstances excessive.

Such an application for one or more of the orders set out in rule 18.36 or 18.37 IR16 may be made by—

- (a) a secured creditor,
- (b) an unsecured creditor with either—
  - (i) the concurrence of at least 10% in value of the unsecured creditors (including that creditor), or
  - (ii) the permission of the court.

The application by a creditor must be made no later than eight weeks after receipt by the applicant of the progress report under rule 18.3, or final account under rule 18.14 which first reports the charging of the remuneration or the incurring of the expenses in question.