

TO ALL KNOWN CREDITORS AND MEMBERS

13 January 2026

Ref: CGJK/SJW/JL
Website: www.ey.com/en-uk/ey-city-link-liquidation
Email: jlouden@parthenon.ey.com

Dear Sir or Madam

**City Link Limited – in Compulsory Liquidation (formerly in Administration)
("the Company")**

**High Court of Justice, The Business and Property Courts of England and Wales,
Insolvency and Companies List; Case: CR-2019-006659**

I write, in accordance with Rule 18.7 of the Insolvency (England and Wales) Rules 2016, to provide creditors with a report on the progress of the Liquidation.

On 20 November 2019, following the restoration of the Company to the Register of Companies, a winding up order was made against the Company in the High Court of Justice, Business and Property Courts of England and Wales, on a petition presented on 1 October 2019 by BECAP12 GP Limited (as General Partner of BECAP12 GP LP, as General Partner of BECAP 12 Fund LP, the Company's secured creditor).

Simultaneously, the Court appointed R H Kelly and me as Joint Liquidators of the Company.

This report on the progress of the Liquidation covers the period from 20 November 2024 to 19 November 2025.

Statutory information about the company, the Liquidation and the office holders is set out at Appendix 1.

As insolvency practitioners, the Joint Liquidators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. A copy of the Statement of Insolvency Practice 1 is available from <https://www.icaew.com-/media/corporate/files/technical/insolvency/regulations-and-standards/sips/england/sip-1-e-and-w-introduction-to-statements-of-insolvency-practice-oct-2015.ashx>

Liquidator resignation

In accordance with a Court Order dated 27 June 2022 ("the Order"), Robert Hunter Kelly was replaced as Joint Liquidator by Samuel James Woodward, an Insolvency Practitioner licenced by the Institute of Chartered Accountants in England and Wales.

Summary of progress since last report dated 6 January 2025

As detailed in the letter to creditors dated 10 December 2019, the purpose of the Liquidation is to provide support to a legal claim which may enable a further distribution to creditors of the Company.

Manolete, who purchased the full rights and future proceeds of the legal claim during the Administration, have agreed to set aside a proportion of any realisations for the Company subject to the Company's ongoing support of the claim (principally by making information requests of relevant parties).

During the course of the period covered by this report, Manolete have reached a settlement with one of the truck manufacturers that were subject to the legal claim. We await further details as to the Company's share of the proceeds.

Manolete continue to progress the claims against the other truck manufacturers. Realisations from the case, if any, may take a number of years to materialise given the complexity and size of the legal claim.

Receipts and payments account

In the 12-month period to 19 November 2025, there have been no receipts and no payments from the Liquidation estate. This does not reflect estimated future realisations or costs.

As detailed in the letter to creditors dated 10 December 2019, Manolete have agreed that they will underwrite the costs of the Liquidation up to the point where any claim proceeds are received. Liquidation expenses, therefore, will only be payable from the Company's assets should claim proceeds be received by the Company.

Outcome for creditors

Better Capital

As noted above, Manolete have reached a settlement with one of the truck manufacturers and, whilst we await further details as to the Company's share of the proceeds, it appears likely that a distribution to the secured creditor will be possible. It is not yet possible to detail the likely timing or quantum of the distribution.

Further distributions (if any) are dependent on the level of the realisations from the ongoing legal claim against the other truck manufacturers

Preferential creditors

During the course of the Administration, preferential creditors were paid in full. Consequently, there are no preferential claims in the Liquidation.

Non-preferential creditors

As noted above, a distribution to the secured creditor is now likely and therefore a distribution to unsecured creditors is also likely to be made. However, we anticipate that the distribution will be by virtue of the Prescribed Part (see below) only due to the anticipated shortfall to the secured creditor. As noted above, it is not yet possible to detail the likely timing or quantum of the distribution as we await further details from Manolete.

Further distributions to unsecured creditors are dependent on realisations (if any) from the ongoing legal claim against the other truck manufacturers

As the Liquidation did not immediately follow the Administration of the Company, in accordance with Rule 14.1(3) of the Insolvency Rules 2016, creditors are required to prove their debts in the Liquidation in order to participate in any potential Prescribed Part distribution.

However, the Joint Liquidators do not require that creditors submit their claims at this stage. The Joint Liquidators will write to creditors with further details once the position has developed sufficiently.

Prescribed Part

The Prescribed Part is a proportion of floating charge assets set aside for unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003.

The Prescribed Part is capped at £600,000.

The Joint Liquidators do not currently intend to make an application to the Court under section 176A(5) of the Insolvency Act 1986 for an order not to distribute the Prescribed Part.

Work which remains to be done

The Joint Liquidators will continue to progress the Liquidation. This will include, inter alia:

- ▶ Continue to support of the legal claim, primarily by making information requests of relevant parties;
- ▶ Make further distributions to the secured creditors of the Company;
- ▶ At the appropriate time, agree unsecured creditor claims and distribute the Prescribed Part;
- ▶ Deal with corporation tax and VAT matters;
- ▶ Statutory reporting and compliance obligations; and
- ▶ Finalise the Liquidation, including payment of all Liquidation liabilities.

Liquidators' remuneration and disbursements

As detailed in the letter to creditors dated 10 December 2019, Manolete have agreed that they will underwrite the Joint Liquidators' remuneration and disbursements up to the point where any claim proceeds are received.

The Joint Liquidators' remuneration, therefore, will only be payable from the Company's assets should claim proceeds be received by the Company.

In the event of realisations from the legal claim, the Joint Liquidators' remuneration is based on the following in accordance with a resolution which was passed by the creditors of the Company on 18 May 2021:

- A fee equivalent to 5% of gross realisations; and

- A fee for distributing the Prescribed Part equivalent of £50,000 or 30% of the value of the Prescribed Part (whichever is the lower).

For the avoidance of doubt, if there are no realisations from the legal claim then Manolete will meet any costs including the Joint Liquidators' remuneration required to close the Liquidation.

Set out at Appendix B is an analysis of the time spent and charge out rates for each grade of staff for the various areas of work carried out to date as required by the Statement of Insolvency Practice No.9. We would comment that, as our remuneration is being paid by Manolete up to the point where any claim proceeds are received, this information has been provided for reference only.

Creditors' rights to further information about, and challenge, remuneration and expenses

The statutory provisions relating to remuneration are set out in Chapter 4 of Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Liquidators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to the Joint Liquidators.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Liquidators' Fees' referred to above.

Other matters

The next report will be delivered within two months from the next anniversary date being 19 November 2026, or at the conclusion of the Liquidation, whichever is sooner.

Should you wish to discuss any aspect of this report, please do not hesitate to contact John Louden on 0113 298 2315.

Yours faithfully
for the Company



C G J King
Joint Liquidator

C G J King and S J Woodward are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Joint Liquidators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Liquidators. Personal data will be kept secure and processed only for matters relating to the Joint Liquidators appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

City Link Limited - in Compulsory Liquidation

Information about the Company and the Liquidators

Registered office address of the Company:	c/o Ernst & Young LLP, 12 Wellington Place, Leeds, LS1 4AP
Registered number:	01080872
Date of appointment of the Joint Liquidators:	20 November 2019
Details of any changes of liquidator:	On 27 June 2022 R H Kelly was replaced as Liquidator of the Company by S J Woodward
Full names of the Liquidators:	Charles Graham John King and Samuel James Woodward
Office holder number(s):	8985 and 12030
Liquidators' address(es):	C G J King of Ernst & Young LLP, 12 Wellington Place, Leeds, LS1 4AP S J Woodward of Ernst & Young LLP, 2 St Peter's Square, Manchester, M2 3DF
Telephone number:	0113 298 2315
Name of alternative person to contact with enquiries about the case:	John Louden

Appendix 2

City Link Limited - in Compulsory Liquidation

Joint Liquidators' time costs for the period from 20 November 2019 to 19 November 2025

Cumulative - SIP9 Reporting Table
Covering period from 20 November 2019 to 19 November 2025

	Staff Grade								Average Rate £		
	Partner	Associate Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst	Total Hours	Total Cost £	Average Rate £
Administration & Planning	1.6	-	-	0.1	-	11.2	6.2	-	19.1	10,815.50	566.3
Creditors	0.5	-	-	-	2.5	-	-	-	3.0	1,885.00	628.3
Debtors	0.5	-	-	-	-	-	-	-	0.5	697.50	1,395.0
Employees	-	-	-	-	-	0.2	-	-	0.2	113.00	565.0
General	1.5	-	-	22.5	46.5	-	-	4.2	74.7	49,218.50	658.9
Immediate Tasks	1.0	-	-	-	-	-	-	-	1.0	805.00	805.0
Legal Issues	4.3	-	-	-	-	-	-	-	4.3	3,933.50	914.8
Other Assets	0.5	-	-	-	-	-	-	-	0.5	575.00	1,150.0
Other Matters	-	-	-	-	-	4.5	-	-	4.5	2,507.50	557.2
Out of Scope	-	-	0.3	-	0.3	-	-	0.4	1.0	627.50	627.5
Reporting	8.3	-	-	-	11.0	-	0.3	-	19.6	15,125.50	771.7
Statutory Duties	-	-	-	-	10.5	-	1.5	4.5	16.5	7,255.00	439.7
VAT & Taxation	-	-	-	-	-	1.7	1.7	1.4	4.8	1,215.50	253.2
Total Hours	18.2	-	0.3	22.6	70.8	17.6	9.7	10.5	149.7		
Time Costs (£)	19,366.00	-	297.00	21,583.50	37,406.50	8,455.50	4,227.00	3,438.50		94,774.00	
Average Hourly Rate (£)	1,064.1	-	990.0	955.0	528.3	480.4	435.8	327.5			633.1

Period - SIP9 Reporting Table
Covering period from 20 November 2024 to 19 November 2025

	Staff Grade								Average Rate £		
	Partner	Associate Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst	Total Hours	Total Cost £	Average Rate £
Administration & Planning	0.5	-	-	0.1	-	2.5	2.2	-	5.3	3,279.00	618.7
Creditors	0.5	-	-	-	-	-	-	-	0.5	697.50	1,395.0
Debtors	0.5	-	-	-	-	-	-	-	0.5	697.50	1,395.0
Employees	-	-	-	-	-	0.2	-	-	0.2	113.00	565.0
General	-	-	-	11.0	-	-	-	1.6	12.6	11,552.00	916.8
Immediate Tasks	-	-	-	-	-	-	-	-	-	-	-
Legal Issues	0.8	-	-	-	-	-	-	-	0.8	1,116.00	1,395.0
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Other Matters	-	-	-	-	-	1.8	-	-	1.8	1,032.00	573.3
Out of Scope	-	-	-	-	-	-	-	-	-	-	-
Reporting	1.5	-	-	-	-	-	0.3	-	1.8	2,133.00	1,185.0
Statutory Duties	-	-	-	-	-	-	-	-	-	-	-
VAT & Taxation	-	-	-	-	-	-	-	-	-	-	-
Total Hours	3.8	-	-	11.1	-	4.5	2.5	1.6	23.5		
Time Costs (£)	5,177.50	-	-	11,126.00	-	2,614.50	1,150.00	552.00		20,620.00	
Average Hourly Rate (£)	1,362.5	-	-	1,002.3	-	581.0	460.0	345.0			877.4

The Joint Liquidators' have incurred time costs in dealing with, inter alia, the following matters:

- ▶ **Administration and Planning** – includes general administrative duties, including the treasury and cashiering function.
- ▶ **Creditors** – relates to correspondence with creditors and answering specific creditor queries.
- ▶ **Immediate tasks** – relates to carrying out on appointment tasks.
- ▶ **Legal Issues** – relates to conversations with our solicitors, Clarion Solicitors, regarding legal issues arising during the Liquidation as well as supporting information requests in connection with the legal claim.
- ▶ **Other assets** – updates and discussions with Manolete in connection with the legal claim.
- ▶ **Other matters** – documents and records storage.
- ▶ **Reporting** – preparing annual reports to creditors.
- ▶ **Statutory duties** – time spent in complying with statutory matters including letters, forms, and other statutory matters in connection with the Joint Liquidators' appointment.
- ▶ **VAT and taxation** - VAT and corporation tax considerations following the commencement of the Liquidation.