

In accordance with
Rule 3.61(1) of the
Insolvency (England
& Wales) Rules 2016
& Paragraph 84(8) of
Schedule B1 of the
Insolvency Act 1986.

AM23

Notice of move from administration to dissolution



Companies House

SATURDAY



A14 *A82U4PCQ* #84
06/04/2019
COMPANIES HOUSE

1 Company details

Company number 0 4 6 3 6 9 4 9
Company name in full Lombard Medical Technologies Limited

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

2 Court details

Court name High Court of Justice

Court number 0 0 3 4 3 1 2 0 1 8

3 Administrator's name

Full forename(s) David John

Surname Pike

4 Administrator's address

Building name/number 15 Canada Square

Street Canary Wharf

Post town London


County/Region

Postcode E 1 4 5 G L

Country

AM23

Notice of move from administration to dissolution

| | | |
|---|---|--|
| 5 Administrator's name ① | | ① Other administrator Use this section to tell us about another administrator. |
| Full forename(s) | Mark Jeremy | |
| Surname | Orton | |
| 6 Administrator's address ② | | ② Other administrator Use this section to tell us about another administrator. |
| Building name/number | 15 Canada Square | |
| Street | Canary Wharf | |
| | | |
| Post town | London | |
| County/Region | | |
| Postcode | E 1 4 5 G L | |
| Country | | |
| 7 Final progress report | | |
| <input checked="" type="checkbox"/> I have attached a copy of the final progress report | | |
| 8 Sign and date | | |
| Administrator's signature | Signature X  X | |
| Signature date | ^d 0 ^d 4 ^m 0 ^m 4 ^y 2 ^y 0 ^y 1 ^y 9 | |

Continuation page

Name and address of insolvency practitioner

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

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

→ **Filling in this form**
Please complete in typescript or in bold black capitals.
All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

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

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

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14, WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) William James
Surname Wright

3 Insolvency practitioner's address

Building name/number One Snowhill
Street Snow Hill Queensway
Post town Birmingham
County/Region
Postcode B 4 6 G H
Country

AM23

Notice of move from administration to dissolution



Presenter information

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

| | |
|---------------|----------------------------------|
| Contact name | Rosie Bostock |
| Company name | KPMG LLP |
| Address | 15 Canada Square Canary Wharf |
| Post town | London |
| County/Region | |
| Postcode | E 1 4 5 G L |
| Country | |
| DX | |
| Telephone | Tel +44 (0) 20 7311 1000 |



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



Joint
Administrators'
final progress
report for the
period 25
October 2018
to 29 March
2019

Lombard Medical
Technologies Limited - in
Administration

4 April 2019

Notice to creditors

This progress report provides a final update on the administration of the Company.

We have included (Appendix 2) an account of all amounts received and payments made since our previous progress report.

We have also explained the exit route from the administration and the outcome for each *class of creditors*.

You will find other important information in the document such as the costs we have incurred.

A glossary of the abbreviations used throughout this document is attached (Appendix 6).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, <http://www.insolvency-kpmg.co.uk/case+KPMG+LI417F1808.html>. We hope this is helpful to you.

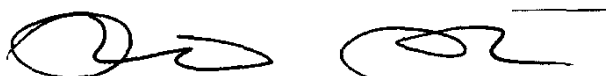
Please also note that an important legal notice about this report is attached (Appendix 7).

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1 Executive summary

- This final progress report covers the period from 25 October 2018 to 29 March 2019.
- We have concluded the outstanding property matters and finalised the Company's tax and VAT affairs (Section 2 - Progress to date).
- The Secured creditor suffered a shortfall (Section 3 – Outcome for creditors).
- We are not aware of any preferential claims (Section 3 – Outcome for creditors).
- There were insufficient funds to enable a distribution to unsecured creditors (Section 3 – Outcome for creditors).
- We have filed a copy of this final progress report with the Registrar of Companies together with the requisite notice. The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.
- Please note: you should read this progress report in conjunction with our previous progress report and proposals issued to the Company's creditors. <http://www.insolvency-kpmg.co.uk/case+KPMG+LI417F1808.html>. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.



David Pike
Joint Administrator

2 Progress to date

This section provides a final update on the strategy for the administration and on the progress made. It follows the information provided in our previous progress report.

2.1 Strategy and progress to date

Strategy

As detailed in our proposals and previous report, a pre-packaged sale of the shares in the Company's two Operating Companies to Endovascular Technology Corp, a subsidiary of MircoPort, was completed on 25 April 2018. The pre-packaged sale of shares resulted in a going concern sale of the Operating Companies and secured the employment of 68 employees within these entities.

Since then we have addressed all residual matters relating to the Company and are now bringing this administration to a conclusion.

Leasehold premises

As previously advised, we granted a tenancy at will to LML to occupy two leasehold premises in Didcot until June 2018 to enable them to conclude negotiations with the landlord in respect of lease assignments or agreement of new leases.

LML reached an alternative agreement with the landlord to remain in occupation of both properties on amended terms and as a result the tenancy ended on 25 June 2018. We offered the leases in respect of both sets of premises to the landlord for surrender by operation of law. The surrender of the Group's UK headquarters was completed on 31 October 2018.

LML remained in occupation of the second property under licence to occupy granted directly by the landlord until November 2018 when they confirmed that a new lease was in place.

Shares in subsidiaries

The pre-packaged sale excluded shares in the Company's remaining three subsidiaries, Lombard Medical Scotland Limited, LionMedical Limited and PolyBioMed Limited, which were dormant and had no realisable value.

Given their dormant status, we arranged for the relevant documentation to be filed with the Registrar of Companies to formally dissolve these entities. We received confirmation from the Registrar that LionMedical Limited and PolyBioMed Limited were dissolved on 15 January 2019. Lombard Medical Scotland Limited was dissolved on 5 February 2019.

Pre-appointment VAT refund

As previously advised, we were made aware of a potential pre-appointment VAT refund due to the Lombard Group, in respect of which the Company acted as the representative member. Our in-house VAT specialists reviewed the Company's VAT affairs and liaised with HMRC in this respect. Following a review of their records, HMRC exercised its right of set off and filed a revised claim in the administration estate.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Other than bank interest a summary of the other realisation during the period is provided below.

Insurance refund

We received a refund of £488 from JLT in relation to open cover insurance provided during the course of the administration.

Investigations

We reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for creditors. No such causes of action have been identified.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant payments made during the period are provided below.

Pre-administration legal costs

As detailed in our proposals, legal costs of £20,000 were incurred by Jones Day in relation to drafting the Sale and Purchase Agreement as well as preparation and filing of the appointment documents.

We obtained approval from the Secured creditor to pay these costs to Jones Day.

Legal fees and disbursements

During the period we paid legal fees of £7,589 and disbursement of £1,317 to Jones Day. These costs were incurred in respect of legal advice provided in relation to reviewing the validity of security, tenancy at will and surrender of leases and other general matters affecting the administration.

Insurance

We paid £1,016 to JLT for open cover insurance provided during the course of the administration. As detailed above, a proportion of these insurance costs were refunded by JLT following the completion of the surrender of the Didcot property.

2.4 Schedule of expenses

We have detailed the costs incurred during the period in the schedule of expenses attached (Appendix 3).

3 Outcome for creditors

3.1 Secured creditors

As previously advised, Oxford Finance holds a full suite of first ranking collateral security against the assets of the Group companies including a fixed and floating charge debenture granted by the Company and LML on 24 April 2015.

We have made no distributions to the Secured creditor during the administration.

The Secured creditor will suffer a shortfall in respect of its security.

3.2 Preferential creditors

We are not aware of any preferential claims against the Company.

3.3 Unsecured creditors

There were insufficient funds to enable a distribution to unsecured creditors.

4 Other matters

4.1 Other case specific matters

As previously reported, KPMG tax specialists were instructed to prepare the necessary corporation tax returns in order to finalise the Company's tax position. Upon the filing of the relevant tax returns, HMRC has confirmed that it has no objection to the administration being concluded and has provided tax clearance.

The Company was the representative member of the Lombard VAT group. We arranged for the Company to be removed from the VAT group, which also included the Operating Companies that continued trading. Following the end of tenancy at will we later arranged for the Company to be de-registered for VAT purposes.

We subsequently submitted our final VAT return to HRMC.

5 Joint Administrators' remuneration and disbursements

The Secured creditor provided approval that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in our proposals and KPMG's charge out rates set out in Appendix 4.
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 4.

Time costs

From 25 October 2018 to 29 March 2019, we have incurred time costs of £22,361. These represent 75 hours at an average rate of £300 per hour.

Remuneration

During the period, we have drawn floating charge remuneration of £114,391, out of which £92,030 relates to costs incurred in the prior period. No further remuneration will be drawn on account of our outstanding time costs incurred during the closure process.

Disbursements

During the period, we have paid disbursements of £30 which were incurred in the prior period.

Additional information

We have attached (Appendix 4) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by KPMG for the period from 25 October 2018 to 29 March 2019. We have also attached our charging and disbursements policy.

6 Conclusion of the administration

We have filed a copy of this final progress report with the Registrar of Companies together with the requisite notice.

The administration will cease to have effect when the Registrar of Companies registers these documents. The Company will be dissolved three months after that date.

We will be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 1 Statutory information

Company information

| | |
|-----------------------------|---|
| Company name | Lombard Medical Technologies Limited |
| Date of incorporation | 14 January 2003 |
| Company registration number | 04636949 |
| Present registered office | 15 Canada Square, Canary Wharf, London, E14 5GL |

Administration information

| | |
|--|---|
| Administration appointment | The administration appointment granted in High Court of Justice, 003431 of 2018 |
| Appointor | Directors |
| Date of appointment | 25 April 2018 |
| Joint Administrators' details | David Pike and Mark Orton |
| Functions | The functions of the Joint Administrators have been exercised by them individually or together in accordance with Paragraph 100(2). |
| Current administration expiry date | 24 April 2019 |
| Values of the Net Property and Prescribed Part | Net Property was £nil. Prescribed Part was £nil |
| Prescribed Part distribution | There are insufficient funds to enable a distribution to unsecured creditors |

Appendix 2 Joint Administrators' receipts and payments account

| Lombard Medical Technologies Limited - in Administration | | | |
|--|---|--------------------------------------|--------------------------------------|
| Abstract of receipts & payments | | | |
| Statement of affairs (€) | | From 25/10/2016 To 29/03/2019 (€) | From 25/04/2016 To 29/03/2019 (€) |
| FIXED CHARGE ASSETS | | | |
| 1,438,849.00 | Subsidiary Lombard Medical Limited (SoFA Nil) | NIL | 1,435,440.32 |
| 1.00 | Subsidiary Lombard Medical Tech. GmbH | NIL | 0.72 |
| 242,000.00 | Subsidiary Lombard Medical Scotland Ltd (SoFA Nil) | NIL | NIL |
| | | NIL | 1,435,441.04 |
| FIXED CHARGE CREDITORS | | | |
| (1,438,850.00) | Fixed charge creditor | NIL | (1,435,441.04) |
| | | NIL | (1,435,441.04) |
| ASSET REALISATIONS | | | |
| 146,043.00 | Cash at bank | NIL | 146,042.88 |
| | Insurance refund | 488.23 | 488.23 |
| | | 488.23 | 146,531.11 |
| OTHER REALISATIONS | | | |
| | Bank interest, gross | 47.96 | 133.14 |
| | ICO Rec - Lombard Medical Scotland Ltd (SoFA Nil) | NIL | NIL |
| | | 47.96 | 133.14 |
| COST OF REALISATIONS | | | |
| | Pre-administration legal costs | (20,000.00) | (20,000.00) |
| | Administrators' fees | (114,390.82) | (114,390.82) |
| | Administrators' expenses | (265.00) | (265.00) |
| | Legal fees | (7,588.75) | (8,588.75) |
| | Legal disbursements | (1,317.00) | (1,317.00) |
| | Statutory advertising | NIL | (71.00) |
| | Insurance of assets | (1,015.84) | (2,031.68) |
| | | (144,577.41) | (146,664.25) |
| FLOATING CHARGE CREDITORS | | | |
| (3,956,835.00) | Floating charge | NIL | NIL |
| | | NIL | NIL |
| UNSECURED CREDITORS | | | |
| (28,667,978.00) | Trade & expense | NIL | NIL |

Lombard Medical Technologies Limited - in Administration

Abstract of receipts & payments

| Statement of affairs (£) | | From 25/10/2016 To 29/03/2019 (£) | From 25/04/2016 To 29/03/2019 (£) |
|--------------------------|---------------------------|--------------------------------------|--------------------------------------|
| | | NIL | NIL |
| | DISTRIBUTIONS | | |
| (33,105,403.00) | Ordinary shareholders | NIL | NIL |
| | | NIL | NIL |
| (65,342,173.00) | | (144,041.22) | NIL |
| | REPRESENTED BY | | |
| | Floating ch. VAT rec'able | | 28,906.51 |
| | NIB - current account | | NIL |
| | Floating ch. VAT control | | (28,906.51) |
| | | | NIL |

Note:

The combined sale consideration for the Company's Operating subsidiaries was \$2 million as detailed in our proposals and SIP16 memorandum. The figures stated above represent the GBP equivalent for reporting purposes

Appendix 3 Schedule of expenses

| Schedule of expenses (25/10/2018 to 29/03/2019) | | | |
|---|-------------------------------------|---|------------------|
| Expenses (£) | Incurred and paid in the period (£) | Incurred in the period not yet paid (£) | Total (£) |
| Cost of realisations | | | |
| Administrators' fees * | 22,284.82 | 76.38 | 22,361.20 |
| Administrators' expenses | 245.00 | 0.00 | 245.00 |
| Insurance of assets | 1,015.84 | 0.00 | 1,015.84 |
| TOTAL | 23,545.66 | 76.38 | 23,622.04 |

* No further remuneration will be drawn on account of our outstanding time costs incurred during the closure process.

Please note that there is a difference between the payments made during the period (per the receipts and payments account) and the expenses incurred and paid in the period (per the schedule of expenses).

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

If you would like to request more information about our remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' right to challenge our remuneration and expenses

If you wish to challenge the basis of our remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to James Rivers on 15 Canada Square, Canary Wharf, London E14 5GL.

Appendix 4 Joint Administrators' charging and disbursements policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of tax, VAT, employee, pensions and health and safety advice from KPMG in-house specialists.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators' Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

<https://www.r3.org.uk/what-we-do/publications/professional/fees/administrators-fees>

If you are unable to access this guide and would like a copy, please contact James Rivers on 020 73118091.

Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration; using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Table of charge-out rates

| Charge-out rates (£) for: Restructuring | | |
|---|-----------------------|-----------------------|
| Grade | From 01 Nov 2016 £/hr | From 01 Jan 2019 £/hr |
| Partner | 625 | 655 |
| Director | 560 | 590 |
| Senior Manager | 510 | 535 |
| Manager | 425 | 445 |
| Senior Administrator | 295 | 310 |
| Administrator | 215 | 225 |
| Support | 131 | 140 |

Policy for the recovery of disbursements

We have recovered Category 1 disbursements from the estate.

For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Category 1 disbursements: These are costs where there is specific expenditure directly referable to both the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements: These are costs that are directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Category 2 disbursements charged by KPMG Restructuring include mileage. This is calculated as follows:

Mileage claims fall into three categories:

- Use of privately-owned vehicle or car cash alternative – 45p per mile.
- Use of company car – 60p per mile.
- Use of partner's car – 60p per mile.

For all of the above car types, when carrying KPMG passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following disbursements (excluding VAT) during the period 25 October 2018 to 29 March 2019.

| SIP 9 - Disbursements | | | | | |
|-----------------------|---------------|------------|------------|------------|---------------|
| Disbursements | Category 1 | | Category 2 | | Totals (£) |
| | Paid (£) | Unpaid (£) | Paid (£) | Unpaid (£) | |
| Sundry | 245.00 | | NIL | | 245.00 |
| Total | 245.00 | | NIL | | 245.00 |

Please bear in mind that this table includes expenses incurred by KPMG and is therefore unlikely to reconcile with the disbursements shown in the Schedule of Expenses.

We have the authority to pay Category 1 disbursements without the need for any prior approval from the creditors of the Company.

Category 2 disbursements have been approved in the same manner as our remuneration.

Narrative of work carried out for the period 25 October 2018 to 29 March 2019

The key areas of work have been:

| | |
|---|---|
| Statutory and compliance | <ul style="list-style-type: none"> ■ posting information on a dedicated web page; ■ preparing statutory receipts and payments accounts; ■ dealing with all closure related formalities; ■ ensuring compliance with all statutory obligations within the relevant timescales |
| Strategy documents, Checklist and reviews | <ul style="list-style-type: none"> ■ monitoring and reviewing the administration strategy, ■ briefing of our staff on the administration strategy and matters in relation to various work-streams, ■ reviewing and authorising junior staff correspondence and other work; ■ dealing with queries arising during the appointment; ■ reviewing matters affecting the outcome of the administration, ■ allocating and managing staff/case resourcing and budgeting exercises and reviews; ■ liaising with legal advisors regarding the property matters; ■ complying with internal filing and information recording practices, including documenting strategy decisions |
| Reports to debenture holders | <ul style="list-style-type: none"> ■ providing written updates to representatives of the Secured creditor regarding the progress of the administration by way of progress reports. |
| Cashiering | <ul style="list-style-type: none"> ■ preparing and processing vouchers for the payment of post-appointment invoices, ■ creating remittances and sending payments to settle post-appointment invoices; ■ reconciling post-appointment bank accounts to internal systems, ■ ensuring compliance with appropriate risk management procedures in respect of receipts and payments. |
| Tax | <ul style="list-style-type: none"> ■ reviewing the Company's pre-appointment corporation tax and VAT position, ■ working on tax returns relating to the periods affected by the administration; ■ analysing VAT related transactions and dealing with post appointment tax compliance |
| Shareholders | <ul style="list-style-type: none"> ■ responding to enquiries from shareholders regarding the administration; ■ providing copies of statutory reports to the shareholders. |
| General | <ul style="list-style-type: none"> ■ reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9, ■ drawing remuneration in accordance with the basis which has been approved by the Secured creditor; ■ locating relevant Company books and records, arranging for their collection and dealing with the ongoing storage |
| Asset realisations | <ul style="list-style-type: none"> ■ liaising with JLT in respect of insurance refund. |
| Property matters | <ul style="list-style-type: none"> ■ reviewing the Company's leasehold properties, including review of leases, ■ communicating with the landlord regarding the rent, property occupation and other property issues; ■ communicating with LML in respect of the tenancy at will, ■ seeking legal advice in relation to the existing leases and tenancy at will. |
| Open cover insurance | <ul style="list-style-type: none"> ■ arranging ongoing insurance cover for the Company's business and assets; ■ liaising with the post-appointment insurance brokers to provide information, assess risks and ensure appropriate cover in place; ■ assessing the level of insurance premiums. |
| Employees | <ul style="list-style-type: none"> ■ dealing with queries from former directors in relation to historic schemes, ■ communicating and corresponding with HM Revenue and Customs |
| Pensions | <ul style="list-style-type: none"> ■ collating information and reviewing the Company's pension schemes; ■ liaising with HM Revenue and Customs in relation to outstanding pension, ■ dealing with pension related queries |
| Creditors and claims | <ul style="list-style-type: none"> ■ updating the list of unsecured creditors; ■ responding to enquiries from creditors regarding the administration and submission of their claims, ■ reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records, ■ drafting our progress report |
| Investigations/ directors | <ul style="list-style-type: none"> ■ correspondence with directors |

Time costs

SIP 9 –Time costs analysis (25/10/2018 to 29/03/2019)

| | Hours | Time Cost (£) Hourly Rate (£) | Average Hourly Rate (£) |
|--|--------------|----------------------------------|----------------------------|
| Administration & planning | | | |
| Cashiering | | | |
| Fund management | 0.30 | 88.50 | 295.00 |
| General (Cashiering) | 1.40 | 435.00 | 310.71 |
| Reconciliations (& IPS accounting reviews) | 0.20 | 26.20 | 131.00 |
| General | | | |
| Books and records | 0.20 | 43.00 | 215.00 |
| Fees and WIP | 7.20 | 2,106.00 | 292.50 |
| Statutory and compliance | | | |
| Bonding & Cover Schedule | 0.10 | 29.50 | 295.00 |
| Budgets & Estimated outcome statements | 2.80 | 602.00 | 215.00 |
| Checklist & reviews | 10.60 | 3,147.00 | 299.27 |
| Closure and related formalities | 3.20 | 992.00 | 310.00 |
| Strategy documents | 0.80 | 212.50 | 445.00 |
| Tax | | | |
| Post appointment corporation tax | 0.80 | 310.00 | 387.50 |
| Post appointment VAT | 9.60 | 2,579.00 | 268.65 |
| Creditors | | | |
| Creditors and claims | | | |
| General correspondence | 1.90 | 996.50 | 524.47 |
| Statutory reports | 27.90 | 8,224.50 | 294.78 |
| Employees | | | |
| Correspondence | 0.50 | 147.50 | 295.00 |
| Pension funds | 0.30 | 160.50 | 535.00 |
| Pensions reviews | 0.30 | 133.50 | 445.00 |
| Investigation | | | |
| Directors | | | |
| Correspondence with directors | 0.30 | 133.50 | 445.00 |
| Realisation of assets | | | |
| Asset Realisation | | | |
| Insurance | 2.50 | 743.50 | 297.40 |
| Leasehold property | 3.50 | 1,058.50 | 302.43 |
| Other assets | 0.20 | 59.00 | 295.00 |
| Total in period | 74.60 | 22,361.20 | 299.75 |

| SIP 9 –Time costs analysis (25/10/2018 to 29/03/2019) | | | |
|--|--------|---------------|-------------------------|
| | Hours | Time Cost (£) | Average Hourly Rate (£) |
| Brought forward time (appointment date to SIP 9 period start date) | 256.10 | 92,106.00 | |
| SIP 9 period time (SIP 9 period start date to SIP 9 period end date) | 74.60 | 22,361.20 | |
| Carry forward time (appointment date to SIP 9 period end date) | 330.70 | 114,467.20 | |

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 5 Summary of Joint Administrators' proposals

Due to the Group's cash flow difficulties and the substantial funding requirements needed for on-going trading rescuing the Company in accordance with Paragraph 3(1)(a) is not deemed achievable.

Therefore our primary objective is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up, in accordance with Paragraph 3(1)(b).

In addition to the specific itemised proposals below, this document in its entirety constitutes our proposals.

We propose the following:

General matters

- to continue to do everything that is reasonable, and to use all our powers appropriately, in order to maximise realisations from the assets of the Company in accordance with the objective as set out above;
- to investigate and, if appropriate, to pursue any claims the Company may have;
- to seek an extension to the administration period if we consider it necessary.

Distributions

- to make distributions to the secured and preferential creditors where funds allow;
- to make distributions to the unsecured creditors if funds become available, and to apply to the Court for authority to do so, where applicable.

Ending the administration

We might use any or a combination of the following exit route strategies in order to bring the administration to an end:

- apply to Court for the administration order to cease to have effect from a specified time and for control of the Company to be returned to the Directors;
- formulate a proposal for either a company voluntary arrangement (CVA) or a scheme of arrangement and put it to meetings of the Company's creditors, shareholders or the Court for approval as appropriate;
- place the Company into creditors' voluntary liquidation. In these circumstances we propose that we, David Pike and Mark Orton, be appointed as Joint Liquidators of the Company without any further recourse to creditors. If appointed Joint Liquidators, any action required or authorised under any enactment to be taken by us may be taken by us individually or together. The creditors may nominate different persons as the proposed Joint Liquidators, provided the nomination is received before these proposals are approved;
- petition the Court for a winding-up order placing the Company into compulsory liquidation and to consider, if deemed appropriate, appointing us, David Pike and Mark Orton, as Joint Liquidators of the Company without further recourse to creditors. Any action required or authorised under any enactment to be taken by us as Joint Liquidators may be taken by us individually or together;
- file notice of move from administration to dissolution with the Registrar of Companies if we consider that liquidation is not appropriate because (1) no dividend will become available to creditors, and (2) there are no other outstanding matters that require to be dealt with in

liquidation. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

Alternatively, we may allow the administration to end automatically.

Joint Administrators' remuneration and pre-administration costs

We propose that:

- our remuneration will be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the fees estimate provided in Appendix 3 and the *charge-out rates included in Appendix 5*;
- disbursements for services provided by KPMG (defined as Category 2 disbursements in Statement of Insolvency Practice 9) will be charged in accordance with KPMG's policy as set out in Appendix 5;
- unpaid pre-administration costs be an expense of the administration.

Discharge from liability

We propose that we shall be discharged from liability in respect of any action of ours as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Appendix 6 Glossary

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| Company | <i>Lombard Medical Technologies Limited - in Administration</i> |
| Group/Lombard Medical Group | The Company together with Lombard Medical Inc, Altura Medical Inc, Lombard Medical Limited, Lombard Medical Technologies GmbH, Lombard Medical Technologies, Inc, PolyBioMed Limited, Lombard Medical Scotland Ltd and LionMedical Limited |
| HMRC | HM Revenue & Customs |
| Joint Administrators/we/our/us | David Pike and Mark Orton |
| Jones Day | Jones Day LLP |
| KPMG | KPMG LLP |
| LML | Lombard Medical Limited |
| LMT | Lombard Medical Technologies GmbH |
| Operating Companies | <i>Lombard Medical Limited and Lombard Medical Technologies GmbH</i> |
| Secured creditor/Oxford Finance | Oxford Finance LLC |

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 7 Notice: About this report

This report has been prepared by David Pike and Mark Orton the Joint Administrators of Lombard Medical Technologies Limited – in Administration (the 'Company') solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company or any other company in the Group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 2016 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

David John Pike and Mark Jeremy Orton are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – home.kpmg.com/uk/en/home/misc/privacy-policy-insolvency-court-appointments.html.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this report or the conduct of the administration.

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