



Lehman Brothers Lease & Finance (No.1) Limited - in Administration

Notice accompanying the third interim dividend to creditors

The Joint Administrators' receipts and payments account from the commencement of the Administration on 24 October 2008 to 1 September 2015 is attached at Appendix A

Further information pursuant to Rule 2.98 of the Insolvency Rules 1986

A third interim dividend to unsecured creditors of 3.39 pence in the pound has been declared.

A total of £4,123,636 is being paid by way of dividend. There is no prescribed part, as there is no floating charge.

The Administrators have retained reserves in order to provide for further costs in the estate, as set out below:-

| | £m |
|---|-------|
| Professional costs | 0.1 |
| Provision for final costs pending tax clearance | 1.0 |
| | <hr/> |
| | 1.1 |

Payment was made by a bank transfer on 2 September 2015. The Joint Administrators anticipate paying a final distribution within the next six months however the quantum is currently uncertain.

| | Note | As at 01-Sep-15 GBP (£) | Movements GBP (£) | As at 23-Apr-15 GBP (£) |
|---|------|-------------------------------|----------------------|-------------------------------|
| Receipts | | | | |
| Realisation from infrastructure assets and Level 7 lease | | 19,710,218 | - | 19,710,218 |
| Debtors | | 379,387 | - | 379,387 |
| Realisations from sale of tax losses | | 1,289,338 | - | 1,289,338 |
| Corporation Tax refund | | 7,409,523 | 1,493,290 | 5,916,233 |
| Pre-appointment VAT settlement | | 9,429,838 | - | 9,429,838 |
| Interest received gross | | 824,740 | - | 824,740 |
| Total | | 39,043,044 | 1,493,290 | 37,549,754 |
| Payments | | | | |
| Insurance | | 463,336 | - | 463,336 |
| Legal Fees | | 80,183 | 6,036 | 74,147 |
| Pension related legal costs recharged from LB SF No.1/LB UK Financing Ltd | | 145,059 | 42,364 | 102,695 |
| Pension related legal costs | | 25,570 | - | 25,570 |
| Purchase of Tax Losses | | 1,180,578 | - | 1,180,578 |
| Joint Administrators' remuneration | | 1,395,096 | 55,269 | 1,339,827 |
| Joint Administrators' Category 1 disbursements | | 3,566 | - | 3,566 |
| Joint Administrators' Category 2 disbursements | | 20,000 | 20,000 | - |
| Statutory costs | | 29,990 | 9,505 | 20,485 |
| Corporation Tax | | 1,480,000 | - | 1,480,000 |
| Employee costs | | 2,402 | 56 | 2,346 |
| Tax function costs | | 209,197 | - | 209,197 |
| IT costs | | 5,741 | - | 5,741 |
| Capital Goods Scheme payment | | 32,275 | - | 32,275 |
| VAT recoverable | 1 | 42,852 | 11,458 | 31,394 |
| VAT irrecoverable | 1 | 99,603 | 6,704 | 92,899 |
| Total | | 5,215,448 | 151,392 | 5,064,056 |
| Total receipts less total payments | | 33,827,596 | 1,341,898 | 32,485,698 |
| Distributions to unsecured creditors | | | | |
| 1st dividend of 8.00p in the £, declared in October 2013 | | 9,738,980 | - | 9,738,980 |
| 2nd dividend of 15.48p in the £, declared in September 2014 | | 18,844,926 | - | 18,844,926 |
| Total | | 28,583,906 | - | 28,583,906 |
| Cash in hand/ (movement in year) | | 5,243,690 | 1,341,898 | 3,901,792 |
| Cash in hand is represented by | | | | |
| HSBC (non-interest bearing) | | 5,243,690 | 1,341,898 | 3,901,792 |
| Money Market | | - | - | - |
| Total Cash | | 5,243,690 | 1,341,898 | 3,901,792 |

Notes:

1. LBL&F is VAT registered and entitled to reclaim 63.09% of input VAT. 36.91% of input VAT is irrecoverable.