



LB UK Financing Limited - in Administration

Notice accompanying the fourth dividend to creditors

The Joint Administrators' receipts and payments account from the commencement of the Administration on 2 October 2008 to 1 October 2014 is attached at Appendix A

Further information pursuant to Rule 2.98 of the Insolvency Rules 1986

A fourth dividend to unsecured creditors of 3.69344p in the £.

A total of £10,099,412.40 is being paid by cash and £69,060,086.85 is being paid by way of payment netting. There is no prescribed part, as there is no floating charge.

Funds have been retained in order to provide for further costs and potential claims in the estate, including:

- A reserve for potential overhead costs of £5m; and
- Future Administration costs

Joint Administrators' receipts and payments account as at 1 October 2014

	As at 1 October 2014 GBP (£)	Movements GBP (£)	As at 1 April 2014 GBP (£)	As at 1 October 2014 USD (\$)	Movements USD (\$)	As at 1 April 2014 USD (\$)
Note						
Receipts						
Shareholder distribution from LB SF No.1	1	284,265,578	284,265,578	143,912,929	-	143,912,929
VAT refunds		3,468	2,449	-	-	-
Recharge of tax function costs		23,827	-	23,827	-	-
Bank interest		35,614	35,211	403	-	-
Sale of tax losses		2,169,341	-	2,169,341	-	-
Total Receipts		286,497,827	284,303,238	143,912,929	-	143,912,929
Payments						
Legal fees		57,535	36,193	21,342	-	-
Pension related legal costs	2	871,459	871,459	-	-	-
Employee costs		74,059	39,364	34,635	-	-
Shared occupancy costs		2,777	-	2,777	-	-
IT costs		5,741	-	5,741	-	-
Shares in subsidiaries		4	-	4	-	-
Loan to LBI, in respect of VAT costs		428	-	428	-	-
Joint Administrators' remuneration		414,194	314,829	99,365	-	-
Joint Administrators' Category 1 disbursements		389	280	109	-	-
Statutory advertising		39,827	19,449	20,378	-	-
Pension related costs		25,570	25,570	-	-	-
VAT Paid		270,279	248,405	21,874	-	-
Total Payments		1,762,262	1,555,549	206,743	-	-
Net Position		284,735,565	282,747,689	1,987,876	143,912,929	143,912,929
Intracompany Transfers						
Receipt		23,735,132	836,182	22,898,950	-	-
Payment		-	-	-	(39,427,079)	(38,041,366)
Total receipts less total payments		308,470,697	283,583,871	24,886,826	104,485,850	105,871,563
Distributions to unsecured creditors	3					
1st dividend of 0.088p in the £, declared in October 2013		(1,886,054)	-	(1,886,054)	-	-
2nd dividend of 2.935p in £, declared in March 2014		-	(286,123,022)	-	(104,485,850)	(104,485,850)
3rd dividend of 13.35p in the £, declared September 2014		(286,123,022)	(286,123,022)	-	-	-
Total		20,461,621	283,583,871	23,000,772	(1,385,713)	1,385,713
Cash Balances						
HSBC (non-interest bearing)		10,526,101	10,332,633	193,468	-	1,385,713
Money markets	4	9,935,519	(12,871,785)	22,807,304	-	-
Total Cash		20,461,621	(2,539,152)	23,000,772	(1,385,713)	1,385,713

1. In February 2014, LBUKF received a distribution in specie from LB SF No.1 comprising an assignment of receivables of EUR 10,537,696.61 plus accruing interest due from Stepstone Mortgage Funding Limited and an assignment of receivables of EUR 198,455,263.67 plus accruing interest from SM Funding No.1 Limited.
2. LBUKF has paid pension related legal fees and expenses totalling £871,459 plus VAT. These costs have been incurred on behalf of other group entities and an agreed percentage will be recharged to these entities, in due course.
3. Further distributions totalling £239,974,350 have been declared and paid by way of payment netting, pursuant to the terms of the Netting Agreement dated 4 September 2014 between LBI11 and LBUKF, such that no cash payment has been made in respect of this part of the Dividend.
4. Funds are invested on the money markets in order to accrue interest and to manage risk.