



LB UK Financing Limited - in Administration

Notice accompanying the fifth dividend to creditors

The Joint Administrators' receipts and payments account from the commencement of the Administration on 2 October 2008 to 6 February 2015 is attached at Appendix A

Further information pursuant to Rule 2.98 of the Insolvency Rules 1986

A fifth dividend to unsecured creditors of 16.01 pence in the pound has been declared.

A sum equivalent to GBP 98,226,534.24 is being paid by way of a cash dividend. A further asset with a value equivalent to GBP 244,876,836 has been distributed in specie. There is no prescribed part, as there is no floating charge.

Funds have been retained in order to provide for further costs.

Payment was made by a bank transfer on 11 February 2015. The Joint Administrators are unable to estimate the likely timing or quantum of any future dividends.

Joint Administrators' receipts and payments account as at 6 February 2015

Appendix A

	As at 6 February 2015 GBP (£)	Movements GBP (£)	As at 1 October 2014 GBP (£)	As at 6 February 2015 EURO (€)	Movements EURO (€)	As at 1 October 2014 EURO (€)
Note						
Receipts						
Shareholder distributions received from LB SF No.1	1	353,356,576	69,090,998	284,265,578	-	-
Distribution received from Stepstone Mortgage Funding Limited		-	-	-	27,365,066	27,365,066
Sale of shares in subsidiaries		4	4	-	-	-
VAT refunds	2	2,448	(1,020)	3,468	-	-
Recharge of tax function costs		23,827	-	23,827	-	-
Recharge of pension legal fees incurred by LB SF No.1		376,929	376,929	-	-	-
Bank interest		43,447	7,833	35,614	-	-
Sale of tax losses		2,169,341	-	2,169,341	-	-
Total Receipts		355,972,572	69,474,744	286,497,828	27,365,066	27,365,066
Payments						
Legal fees		335,457	277,922	57,535	-	-
Pension related legal costs	3	1,175,214	303,754	871,460	-	-
Employee costs		99,493	25,434	74,059	-	-
Shared occupancy costs		11,620	8,843	2,777	-	-
IT costs		5,741	-	5,741	-	-
Purchase of shares in subsidiaries		4	-	4	-	-
Loan to LBL in respect of VAT costs		428	-	428	-	-
Joint Administrators' remuneration		563,708	149,514	414,194	-	-
Joint Administrators' Category 1 disbursements		389	-	389	-	-
Statutory advertising		49,037	9,210	39,827	-	-
Pension related costs		25,570	-	25,570	-	-
VAT irrecoverable		404,816	134,537	270,279	-	-
Total Payments		2,671,477	909,214	1,762,263	-	-
Intracompany Transfers						
Receipt		23,735,132	-	23,735,132	-	-
Payment		-	-	-	-	-
Total receipts less total payments		377,036,227	68,565,530	308,470,697	-	-
Distributions to unsecured creditors	4					
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		-	-	-	-	-
3rd dividend of 13.35p in the £, declared September 2014		(286,123,022)	-	(286,123,022)	-	-
4th dividend of 3.69p in the £, declared October 2014		(10,099,412)	(10,099,412)	-	-	-
Total distributions		(298,108,488)	(10,099,412)	(288,009,076)	-	-
Total receipts less total payments and distributions		78,927,739	58,466,118	20,461,621	27,365,066	27,365,066
Cash Balances						
HSBC (non-interest bearing)		70,074,578	59,548,477	10,526,101	27,365,066	27,365,066
Money markets	5	8,853,161	(1,082,359)	9,935,520	-	-
Total Cash		78,927,739	58,466,118	20,461,621	27,365,066	27,365,066

Notes:

- 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. In September 2014, LB SF No.1's claim against Lehman Brothers Holdings Inc was distributed in specie to LBUKF. In December 2014, LBUKF received a further distribution in specie from LB SF No.1 comprising the receivables due from Lehman Commercial Mortgage Conduit Limited, Cherry Tree Mortgages Limited and Zestdew Limited.
- VAT is irrecoverable and therefore refunds received from LBL are in the process of being repaid.
- LBUKF has paid pension related legal fees and expenses totalling £1,175,214 plus VAT. These costs have been incurred on behalf of other group entities and an agreed percentage, totalling 83% of the pension related legal fees paid, will be recharged to these entities, in due course.
- 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 LBHI and LBUKF, such that no cash payment has been made in respect of this part of the Dividend.
- Funds are invested on the money markets in order to accrue interest and to manage risk.