

Joint administrators' twenty-seventh
progress report for the period from
23 September 2021 to 22 March
2022

**Storm Funding Limited
(in administration)**

High Court of Justice, Business & Property Courts of
England & Wales, Insolvency & Companies List (ChD)

Case no. 8210 of 2008

20 April 2022

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Abbreviations and definitions

The following table shows the abbreviations and insolvency terms used in this report:

Abbreviation or definition	Meaning
Acenden	Acenden Limited (formerly known as Capstone Mortgage Services Ltd)
Administrators	DY Schwarzmann, EJ Macnamara, GE Bruce and DJ Kelly
Administration	Storm's administration
Court	The High Court of Justice
Firm	PricewaterhouseCoopers LLP
Group	Lehman Brothers UK Group
HMRC	HM Revenue and Customs
IMA	Investment Management Agreement
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
LBH	Lehman Brothers Holdings Plc (in administration)
LBHI	Lehman Brothers Holdings Inc (Chapter 11)
LBHI2	LB Holdings Intermediate 2 Limited (in administration)
LBIE	Lehman Brothers International (Europe) (in administration)
Mable	Mable Commercial Funding Limited (in administration)
Period	The six months from 23 September 2021 to 22 March 2022
Proposals	The Administrators' statement of proposals for achieving the purpose of the Administration, dated 12 November 2008
Storm or the Company	Storm Funding Limited (in administration)
Secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
Preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Unsecured creditors	Creditors who are neither secured nor preferential
Repo Claim	A claim arising from a repo/reverse repo arrangement
Shortfall Claim	The Storm claim against LBIE arising from a shortfall in the number of securities held in the Lehman depository accounts
VAT	Value Added Tax

Key messages

Why we have sent you this report

This is the twenty-seventh progress report by the Administrators of the Company.

Creditors should have received the Proposals approved at a meeting of creditors held on 27 November 2008 and the Administrators' 26 previous progress reports. All earlier reports can be viewed on our website at [http:// www.pwc.co.uk/services/business-recovery/administrations/non-lbie-companies/storm-funding-limited-in-administration.html](http://www.pwc.co.uk/services/business-recovery/administrations/non-lbie-companies/storm-funding-limited-in-administration.html).

This report provides an update on the work the Administrators have undertaken, and the progress made since their appointment with particular focus on the progress made in the Period.

How much creditors may receive

On 24 June 2013 the Court made an order pursuant to paragraph 65(3) of Schedule B1 to IA86 granting permission for the Administrators to make distributions to unsecured creditors.

The Administrators have paid thirteen dividends totalling 42.08 pence in the pound on admitted claims. Cumulative distributions to date total £984.1m.

We set out in Appendix D a list of the dividends paid to date.

The timing and quantum of future dividends are dependent on tax clearance and an efficient resolution and closure of the estate. We are hoping to resolve these matters before 30 November 2022, the date upon which the current six year extension of the administration is due to expire (unless extended).

Class of creditor	Current estimate (p in £)
Secured creditors	n/a
Preferential creditors	n/a
Unsecured creditors*	42.16 – 42.26

**Please note this guidance on dividends is only an estimate. Creditors should therefore exercise caution in relying on these figures and all estimates included in this report for any purpose. The Administrators will not be responsible for any losses incurred in relation to these estimates.*

What you need to do

If you have not already done so, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at [http:// www.pwc.co.uk/services/business-recovery/administrations/non-lbie-companies/storm-funding-limited-in-administration.html](http://www.pwc.co.uk/services/business-recovery/administrations/non-lbie-companies/storm-funding-limited-in-administration.html) or you can obtain one by telephoning John Baker on +44 7843 326661.

Overview of what we have done to date

Securities held in Lehman depository accounts

As reported previously, the Administrators have filed an affiliate asset claim against LBIE in respect of its securities held in the Lehman depository accounts.

The Administrators also entered into an IMA with LBIE to market and realise these securities on behalf of Storm.

All recoverable securities have been realised or disposed of. As outlined in earlier reports, the Administrators discovered that a number of securities were no longer held in the depository accounts and as a result, a Shortfall Claim was submitted to LBIE.

Inter-company debtors – LBIE

In addition to the Shortfall Claim, Storm had a Repo Claim against LBIE. Both the Shortfall Claim and the Repo Claim were agreed with LBIE in March 2014. After offsetting a small intercompany balance owed to LBIE, the net claim amounted to £158m. This claim was agreed on the basis that Storm waived its entitlement to statutory interest accrued before 31 August 2012. Storm has received 100 pence in the pound on the principal amount of its claim. On 25 July 2018, Storm received a final distribution of £21m for statutory interest.

Inter-company debtors – US affiliates

Storm's total claims against the various Lehman US affiliates were agreed pursuant to the Joint Chapter 11 Plan dated December 2011 at \$1.1bn. In August 2014 Storm sold its largest US affiliate claim to a third party, leaving a total claim of \$335.7m. To date, cumulative dividends received from US affiliates and consideration from selling the claim, have totalled \$495.5m.

We previously reported that one of the US debtors had asserted that they had overpaid distributions to Storm, exceeding the guaranteed amount. Pending future discussions to resolve the matter, on 12 September 2018, Storm paid the US debtor a partial refund (in the sum of £12.9m) in accordance with a settlement agreement.

As previously reported, that US debtor had also initiated proceedings in April 2019 in the United States Bankruptcy Court Southern District of New York against certain other Lehman UK affiliate entities, asserting that it had overpaid distributions to those UK affiliates. A settlement was agreed between the parties to these proceedings (which did not include Storm) in January 2021 (the "Clawback Settlement"). Following the Clawback Settlement we held further discussions with the relevant US debtor asserting the claim regarding overpaid distributions to Storm.

Following these discussions a final settlement was agreed and a further payment of £1.9m made to the US debtor to conclude the matter, in accordance with a settlement agreement agreed upon similar commercial principles to the Clawback Settlement. Under the terms of this settlement agreement, Storm also assigned its £158m claim against LBIE (not including the 100 pence in the pound on the principal amount and £21m of statutory interest already received) to the US debtor.

No further payments are due to the US affiliate in relation to this matter.

Acenden sale

In 2010 Storm purchased Acenden from another group entity. An element of the purchase price was deferred consideration due to the vendor on Storm realising value from its shareholding in Acenden.

The sale of Storm's shareholding in Acenden completed on 6 January 2015, following a competitive sale process. Under the terms of the sale, details of the final consideration agreed with the buyer are confidential.

Storm recovered £14m after payment of deferred consideration to the group entity under the original acquisition. The sale conditions have been fully satisfied and no further deferred consideration is due to the Company.

Claims agreement

Storm has received 14 claims from unsecured creditors, mainly Lehman affiliates, totalling £3.2bn. The two largest agreed claims are £1.8bn from LBHI and £366m from Mable. Nine other claims were admitted for dividend and three claims have been withdrawn.

Taxation

All corporation tax returns up to and including the year ended 22 September 2019 have been agreed by HMRC.

All corporation tax returns up to and including the year ended 22 September 2020 have been submitted to HMRC.

To date, VAT totalling £2.9m has been repaid to Storm. All VAT returns to the quarter ended February 2022 have been submitted to HMRC.

Progress since we last reported

The key developments in the Period are described below.

Closure planning

During the Period our main area of work has been strategy and planning in relation to the closure of the estate. We are in the process of finalising our tax clearance application and expect the application will be made soon. Following tax clearance from HMRC we will make a final distribution to creditors and then submit a notice to the Registrar of Companies (pursuant to Paragraph 84 of Schedule B1 to the Insolvency Act 1986) to move from administration to dissolution.

Change in Joint Administrator

On 10 November, a Court Order was granted for the resignation and replacement of R Downs as Joint Administrator of Storm by DJ Kelly.

In accordance with the Order, R Downs was discharged from all liability in respect of their acts and omissions and otherwise in respect of their conduct as an administrator of the company. Such discharge took effect from 28 December 2021.

Taxation

All corporation tax returns up to and including the year ended 22 September 2020 have been submitted to HMRC.

The tax computation for the year ended 22 September 2021 is in the process of being prepared and will be submitted before the deadline of 22 September 2022.

The Administrators have complied with their obligations regarding the publication of the Lehman group Tax Strategy. The Administrators have also adhered to the UK and US Foreign Account Tax Compliance Act, Common Reporting Standards and the Senior Accounting Officer Regime. They have also considered their obligations under the Corporate Criminal Offence rules which came into effect in September 2017.

A VAT repayment of c.£19k was received in the period in relation to the August and November 2021 VAT returns. All VAT returns to the quarter ended February 2022 have been submitted to HMRC.

Work has begun to submit a tax clearance application to HMRC and it is expected that this will be finalised soon now that all asset recoveries have been resolved and there is no further income expected into the Company.

Connected party transactions

Except where disclosed elsewhere in this report, there have been no sales or transactions with connected parties of the Company during the Period.

Investigations and actions

Nothing has come to our attention during the Period to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the Administration from 23 September 2021 to 22 March 2022, and cumulative receipts and payments from 23 September 2008 to 22 March 2022.

As advised earlier in the Administration, all of the Company's assets are uncharged, and there are therefore no secured creditors.

There were two receipts in the Period being:

- £19k in respect of VAT recovery; and
- £1k in respect of interest on bank accounts.

Significant payments included:

- Administrators' remuneration of £213k (inclusive of VAT);
- Legal fees invoiced for work completed in the previous period of £1.7k and \$16k (inclusive of VAT); and
- £3.7k tax recharges that are due to LBIE

Total cash held as at 22 March 2022 was £4.6m (GBP equivalent).

Our expenses

We set out in Appendix B a statement of the expenses we have incurred to the date covered by this report and an estimate of our future expenses.

Our fees

The manner in which the Administrators' remuneration is determined and approved is set out in the applicable insolvency legislation.

In accordance with the Proposals, as a creditors' committee was not formed, it is for creditors to agree the level of the Administrators' remuneration and Category 2 disbursements.

At a meeting held by correspondence on 20 September 2010 creditors approved resolutions authorising the Administrators to draw remuneration on the basis of their time costs, together with Category 2 disbursements and VAT from 1 July 2010 onwards from time to time.

In accordance with the resolution, the Administrators can draw remuneration 21 days or more after circulating details to creditors. On 20 October 2021, the fee analysis for the period from 23 March 2021 to 22 September 2021 was circulated to creditors and the fee of £0.2m (inclusive of VAT) was drawn on 12 November 2021. This brings the total amount of Administrators' remuneration to £23.5m (inclusive of VAT).

The Administrators expect to issue their fee analysis for the period 23 September 2021 to 22 March 2022 to creditors on or around 19 April 2022.

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/creditors-guide-administrators-fees-final.ashx?la=en>

This guide is for appointments on or after 1 November 2011 and whilst not all the provisions apply to this Administration (which commenced 23 September 2008) it is the most appropriate guide currently available following the changes made by IR16.

You can also obtain a copy free of charge by telephoning Elliot Stickings on +44 7483 421780.

What we still need to do

The Administrators will continue to:

- File tax and VAT returns;
- Comply with other statutory obligations;
- Develop and implement final closure strategies and plans, including tax clearance;
- Make further payments to creditors as funds permit; and
- Dissolve the Company.


Next steps

We have considered the best strategy for ending the Administration, taking into account the position of the Company and tax implications. As mentioned above, following tax clearance we expect to pay a final dividend and close the estate within the next six months.

If you have any questions, please get in touch with John Baker on +44 7843 326661.

Yours faithfully

For and on behalf of Storm Funding Limited



DY Schwarzmenn
Joint Administrator
Storm Funding Limited

DY Schwarzmenn, EJ Macnamara, GE Bruce and DJ Kelly were appointed as Joint Administrators of Storm Funding Limited to manage its affairs, business and property as agents without personal liability.

The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

The Joint Administrators may act as Data Controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Administrators.

Appendix A: Receipts and payments

The receipts and payments account does not show estimated to realise values from the directors' statement of affairs as this would not provide a meaningful comparison with actual asset recoveries. Given the nature of the Company's assets and ongoing realisations, the Administrators are not in a position to provide an estimate of the final outcome for creditors. Note: We set out in Appendix D a list of the dividends paid to date.

Storm Funding Limited

	As at 22 March 2022			As at 22 March 2022 TOTAL GBP equivalent £	Movements from 23 September 2021 to 22 March 2022 (GBP equivalent) £	As at 22 September 2021 GBP equivalent) RESTATED at 22 March 2022 £	As at 22 September 2021 TOTAL GBP equivalent £
RECEIPTS	GBP (£) 000's	EUR (C) 000's	USD (\$) 000's	000's	000's	000's	000's
Income from investments	108,320	51,190	-	151,146	-	151,146	152,343
Acenden proceeds	31,043	-	-	31,043	-	31,043	31,043
Interest	5,961	400	77	6,355	1	6,354	6,362
Corporation Tax repayment	23,296	-	-	23,296	-	23,296	23,296
VAT repayment	2,888	-	-	2,888	19	2,869	2,869
Other income	23,323	1,517	-	24,592	-	24,592	24,627
Intercompany debtors	212,683	98	495,483	588,093	-	588,093	575,906
Other recoveries	172	-	-	172	-	172	172
Inter estate Transfer	596,808	-	-	596,808	-	596,808	596,808
Investment management recoveries	21,919	35,654	327,724	299,998	-	299,998	292,771
Receipts grand totals	1,026,413	88,859	823,284	1,724,391	20	1,724,371	1,706,197
PAYMENTS							
Building and occupancy cost	685	-	-	685	-	685	685
Payroll and employee costs	1,680	-	-	1,680	-	1,680	1,680
Capstone share repurchase	50	-	-	50	-	50	50
Asset Management Company expenses	80	-	-	80	-	80	80
Sale of Business/Goodwill	-	-	-	-	-	-	-
Tax/VAT payment	4,675	-	-	4,675	-	4,675	4,675
Legal fees	4,619	-	69	4,672	15	4,657	4,656
Insurance fees	7	-	-	7	-	7	7
Office holder's remuneration	23,511	-	-	23,511	213	23,298	23,298
Office holder's disbursements	46	-	-	46	-	46	46
Other professional fees	551	-	-	551	4	547	547
Inter estate Transfer	-	88,592	820,365	695,543	-	695,543	677,435
Investment management fees	137	267	2,455	2,220	-	2,220	2,166
Distributions to unsecured creditors	986,075	-	-	986,075	-	986,035	986,035
Payments grand totals	1,022,115	88,859	822,889	1,719,795	232	1,719,523	1,701,360
NET POSITION	4,298	0	394	4,596	(212)	4,848	4,837
CASH BALANCES							
HSBC	4,297	-	394	4,596	-	-	-
Money markets	-	-	-	-	-	-	-
Total cash	4,297	-	394	4,596	-	-	-
Exchange rate as at 22 September 2021							
EURO €1 : GBP	0.8600						
USD \$1 : GBP	0.7329						
Exchange rate as at 22 March 2022							
EURO €1 : GBP	0.8366						
USD \$1 : GBP	0.7575						

Amounts include VAT where applicable

Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and includes our fees but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the Period and the total paid to date. Where appropriate, expenses are shown inclusive of VAT.

	Brought forward balance £'000	Incurred in the Period £'000	Cumulative £'000	Estimated future £'000	Anticipated total £'000
Legal fees	4,666	17 ¹	4,682	84	4,766
Payroll and employee costs	1,680	-	1,680	-	1,680
Building and occupancy costs	685	-	685	-	685
Administrators' remuneration	23,499	103	23,591	215	23,817
Administrators' disbursements	46	-	46	4	50
Trust asset fees	2,112	-	2,112	-	2,112
Other professional fees	544	4	547	17	564
Total	33,232	112	33,343	331	33,674

¹ These Legal fees were incurred in the prior period but paid in this Period.

Appendix C: Remuneration update

Our hours and average rates:

The time cost charges incurred in the six months from 23 September 2021 to 22 March 2022 are £85k (net of VAT).

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Joint Administrators' time costs for the period 23 September 2021 to 22 March 2022

Classification of work	Partner		Director		Senior Manager		Manager		Senior Associate		Associate		Offshore Professionals		Total		Average Cost Per Hour (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Accounting and Treasury	0.00	0	0.00	0	0.90	563	1.30	709	8.90	3,920	8.05	2,254	6.90	1,691	26.05	9,136	351
Creditor Claims	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0
Realisation of Other Assets	0.00	0	0.00	0.00	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0
Statutory and Compliance	1.00	980	1.55	1,278	8.70	5,438	1.10	600	29.10	13,083	0.00	0	0.00	0	41.45	21,378	516
Strategy and Planning	2.40	2,352	3.50	3,028	1.90	1,188	0.00	0	4.00	1,800	0.00	0	0.00	0	11.80	8,367	709
Tax and VAT	6.50	9,003	0.00	0	7.00	6,493	7.25	5,148	48.75	25,350	2.00	570	0.00	0	71.50	46,563	651
Total for six months ended 22 March 2022	9.90	12,335	5.05	4,306	18.50	13,680	9.65	6,456	90.75	44,153	10.05	2,824	6.90	1,691	150.80	85,443	
Average hourly rate for the six month period		1,246		853		739		669		487		281		245		567	
Cumulative total to 22 March 2022															47,565	19,849,870	

All figures are net of VAT

Our time charging policy and hourly rates

We and our team charge our time for the work we need to do in the Administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the Administration (including our cashiers) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We do not charge general or overhead costs.

As of 1 March 2020, we have been charging PwC rates per hour in line with the respective rate cap in operation on certain other PwC controlled Lehman estates, including LBH, LBHI2 and LBIE, across all our teams.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the Administration. We call on colleagues in our Tax and VAT departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour:

Grade	From 1 July 2020	
	£	
	Administration	Tax / VAT
Partner	985	1,385
Director	870	1,275
Senior manager	625	975
Manager	545	710
Senior associate	450	520
Associate	280	285
Support staff	155	180
Offshore Professionals	245	N/A

Our work in the Period

Earlier in this section we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work:

Area of work	Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury	<ul style="list-style-type: none"> Monitoring funds held Preparing and reviewing the receipts and payments report Review of appropriate ongoing treasury management strategy 	<ul style="list-style-type: none"> To monitor and minimise risk on the funds held within the company 	<ul style="list-style-type: none"> Required by statute Manage risk of loss through credit default
Creditor claims	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a
Asset realisations	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a 	<ul style="list-style-type: none"> n/a
Statutory and compliance	<ul style="list-style-type: none"> Preparing and issuing fee pack and progress reports Six month review by all joint administrators Reviewing and completion of all required documentation for the change in Joint Administrator 	<ul style="list-style-type: none"> To enable reporting to all creditors To ensure that the correct practice was applied to the estate 	<ul style="list-style-type: none"> Required by statute and professional guidelines
Strategy and planning	<ul style="list-style-type: none"> Setting and agreeing the strategy for the estate in preparation for closure Preparing and finalising update notes and holding strategy meetings Maintaining budget 	<ul style="list-style-type: none"> To discuss and agree future actions and closure of the estate To understand and control costs 	<ul style="list-style-type: none"> Maximise efficiency of work undertaken
Tax and VAT	<ul style="list-style-type: none"> Managing the tax strategy Ongoing management of tax controls Preparation and submission of the tax computation for the year ended 22 September 2021 Preparation and submission of the quarterly VAT returns for November 2021 and February 2022 Ensuring adherence to all relevant tax regulations and compliance standards 	<ul style="list-style-type: none"> To remain as tax efficient as possible 	<ul style="list-style-type: none"> Maximising tax recoveries Statutory returns Mitigate tax leakages

Our future work

As mentioned earlier in our report, we continue to consider the best strategy for ending the Administration, taking into account asset realisations and tax implications.

We still need to do the following work to achieve the purpose of administration. Should our strategy need to change, following consultation with key stakeholders, this will have an impact on the level of our work and estimated future costs.

Area of work	Work we need to do	Estimated net cost £'000	Whether or not the work will provide a financial benefit to creditors
Accounting and treasury	<ul style="list-style-type: none"> Monitoring of the funds held Preparing and reviewing the receipts and payments report 	26	<ul style="list-style-type: none"> Required by statute Manage risk of loss through credit default
Creditor claims	<ul style="list-style-type: none"> Distributing future available funds to creditors with admitted claims 	15	<ul style="list-style-type: none"> Further return of creditor funds Release the final dividend to Creditors
Asset realisations	<ul style="list-style-type: none"> n/a 	n/a	<ul style="list-style-type: none"> n/a
Statutory and compliance	<ul style="list-style-type: none"> Preparing and distributing the final six monthly progress report, fee pack and carrying out other statutory and compliance functions Closing the estate 	29	<ul style="list-style-type: none"> Required by statute and professional guidelines
Strategy and planning	<ul style="list-style-type: none"> Setting and agreeing the strategy for the estate – regular meetings of the team, liaising with other Lehman teams Updating Storm's webpage to inform creditors of the progress made on the estate Finalising closure plans for the estate 	70	<ul style="list-style-type: none"> Maximise efficiency of work undertaken
Tax and VAT	<ul style="list-style-type: none"> Complying with Tax and VAT standards including preparing tax computations and returns and seeking final tax clearance prior to closure Finalising and submitting the tax clearance application 	38	<ul style="list-style-type: none"> Maximising tax efficiency on recoveries for creditors Statutory returns

Disbursements

The Administrators are not required to seek approval to draw expenses or disbursements unless they are for shared or allocated services provided by their own Firm, including room hire, document storage, photocopying or communication facilities. These types of expenses are called “Category 2” disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same parties which approve their fees.

Category 1 disbursements comprise payments to third parties, for example in relation to travel costs, statutory advertising and insolvency office holders’ insurance.

The Administrators’ expenses policy allows for all properly incurred expenses to be recharged to the Administration.

The following Category 2 disbursements arose in the Period.

Category	Policy	Costs incurred £
2	Printing and Posting	7.00
Total		7.00

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the Administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

Storm has contracted out certain tax services to the Lehman finance team whose employer is LBIE. This work has been subcontracted because it is more cost efficient than if the Administrators were to do it themselves.

Legal and other professional firms

The Administrators have instructed Linklaters LLP to act as their legal advisors in the Period because of their prior knowledge of Storm. Linklaters LLP is remunerated on a time-cost basis.

Invoices were paid to Linklaters and Davis Polk & Wardwell LLP during the Period for work performed up to 30 September 2021 on the settlement agreement with US affiliates. No legal support was required during the Period.

All third party professionals are required to submit a detailed time-cost analysis and narrative in support of all invoices rendered. The Administrators have satisfied themselves that the level of legal and professional costs is appropriate

Appendix D: Dividends

All interim dividends paid to unsecured creditors to date are detailed below:

Dividend	Date	Pence in the Pound
First	25-Sep-13	10.400
Second	12-Nov-13	7.000
Third	08-May-14	10.000
Fourth	10-Sep-14	4.600
Fifth	30-Apr-15	2.300
Sixth	12-Aug-15	3.300
Seventh	02-Jun-16	2.000
Eighth	09-Aug-16	1.000
Ninth	15-Aug-17	0.410
Tenth	17-Apr-18	0.125
Eleventh	19-Sep-18	0.530
Twelfth	18-Sep-20	0.300
Thirteenth	02-Aug-21	0.114
		42.079

Appendix E: Other information

Court details for the administration:	High Court of Justice, Chancery Division, Companies Court – case 8210 of 2008
Company's registered name:	Storm Funding Limited
Trading name:	Storm Funding Limited
Registered number:	2682306
Registered address:	7 More London Riverside, London, SE1 2RT
Date of the joint administrators' appointment:	28 September 2008
Joint administrators' names, addresses and contact details:	DY Schwarzmann, EJ Macnamara, GE Bruce and DJ Kelly of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT. uk_storm_claims@pwc.com +44 20 7583 5000
Extension(s) to the initial period of appointment:	The Court has granted four successive extensions to the Administration period being to 30 November 2010, 30 November 2011, 30 November 2016 and 30 November 2022.