

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

**Storm Funding Limited
(in administration)**

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

Case no. 8210 of 2008

19 October 2021

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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 R Downs
Administration	Storm's administration
Court	The High Court of Justice
CURL	Consumer Unsecured Reperforming Loan PLC
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 March 2021 to 22 September 2021
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-sixth 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' 25 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>.

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, the thirteenth interim dividend of 0.114p was paid in the Period. 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 presently uncertain. This will be dependent on receiving tax clearance from HMRC and the costs associated with closing 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 seek to 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. However, the Administrators reserve their rights in relation to other options available to them.

Class of creditor	Current estimate (p in £)
Secured creditors	n/a
Preferential creditors	n/a
Unsecured creditors	*42.08 – 42.24

**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 has 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 amounts 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.

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 now 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 2020 have been submitted to HMRC.

To date, VAT totalling £2.9m has been repaid to Storm. All VAT returns to the quarter ended August 2021 have been submitted to HMRC.

Progress since we last reported

The key developments in the Period are described below.

Inter-company debtors – US affiliates

During the Period, the Company received one further payment from its US affiliate claims totalling \$1.8k (£1.4k GBP equivalent).

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 do not include Storm) in January 2021 (the “Clawback Settlement”).

Following the Clawback Settlement and during the Period we have 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.

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.

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.

Claims for VAT repayments of c.£18k in relation to the May 2021 and August 2021 quarters have been submitted to HMRC, but the respective repayment is yet to be received by the representative member of the VAT group.

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 March 2021 to 22 September 2021, and cumulative receipts and payments from 23 September 2008 to 22 September 2021.

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

Significant payments included:

- Legal fees for the period of £37k and (inclusive of VAT);
- Administrators' remuneration of £155k (inclusive of VAT);
- c.£1.9m payment to a US debtor in final settlement of that US debtor's asserted claim regarding overpaid distributions to Storm, in accordance with a settlement agreement; and
- c.£2.7m in respect of Storm's thirteenth interim distribution, paid on 28 July 2021.

Total cash held as at 22 September 2021 was £4.8m (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 19 April 2021, the fee analysis for the period from 1 September 2020 to 22 March 2021 was circulated to creditors and the fee of £0.2m (inclusive of VAT) was drawn on 20 May 2021. This brings the total amount of Administrators' remuneration to £23.3m (inclusive of VAT).

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

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:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.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:

- Continue to file tax and VAT returns;
- Seek tax clearance from HMRC;
- Comply with other statutory obligations; and
- Make further payments to creditors as funds permit.

Next steps

We continue to consider the best strategy for ending the Administration, taking into account asset realisations and tax implications.

Following tax clearance from HMRC we will seek to 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. However, the Administrators reserve their rights in relation to other options available to them.

We expect to send our next report to creditors in six months' time.

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 R Downs 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 September 2021			As at 22 September 2021 TOTAL GBP equivalent	Movements from 23 March 2021 to 22 September 2021 (GBP equivalent)	As at 22 March 2021 (GBP equivalent) RESTATED at 22 September 2021	As at 22 March 2021 TOTAL GBP equivalent*
	GBP (£) 000's	EUR (€) 000's	USD (\$) 000's	£ 000's	£ 000's	£ 000's	£ 000's
RECEIPTS							
Income from investments	108,320	51,190	-	152,343	(1)	152,344	152,405
Acenden proceeds	31,043	-	-	31,043	-	31,043	31,043
Interest	5,961	400	77	6,362	2	6,360	6,360
Corporation Tax repayment	23,296	-	-	23,296	-	23,296	23,296
VAT repayment	2,869	-	-	2,869	-	2,869	2,869
Other income	23,323	1,517	-	24,827	39	24,588	24,589
Intercompany debtors	212,683	98	495,483	575,906	1	575,905	570,405
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	292,771	-	292,771	289,176
Receipts grand totals	1,026,394	88,859	823,284	1,706,197	41	1,706,155	1,697,123
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	4,617	-	53	4,656	38	4,618	4,618
Insurance fees	7	-	-	7	-	7	7
Office holder's remuneration	23,298	-	-	23,298	156	23,142	23,142
Office holder's disbursements	46	-	-	46	-	46	46
Other professional fees	547	-	-	547	4	543	543
Inter estate Transfer	-	88,592	820,365	677,435	-	677,435	668,435
Investment management fees	137	267	2,455	2,166	-	2,166	2,139
Distributions to unsecured creditors	986,035	-	-	986,035	4,565	981,470	981,470
Payments grand totals	1,021,856	88,859	822,873	1,701,360	4,763	1,696,596	1,687,570
NET POSITION	4,538	-	410	4,837	(4,722)	9,559	9,553
CASH BALANCES							
HSBC	-	-	-	4,837	-	-	-
Money markets	-	-	-	-	-	-	-
Total cash	-	-	-	4,837	-	-	-
Exchange rate as at 22 March 2021							
EURO (1 : GBP	0.8612						
USD \$1 : GBP	0.7218						
Exchange rate as at 22 September 2021							
EURO (1 : GBP	0.8600						
USD \$1 : GBP	0.7329						

Amounts include VAT where applicable

*Closing figures as per previous Progress Report.

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	4,628	38	4,666	100	4,766
Payroll and employee costs	1,680	-	1,680	-	1,680
Building and occupancy costs	685	-	685	-	685
Administrators' remuneration	23,286	213	23,499	318	23,817
Administrators' disbursements	46	-	46	4	50
Trust asset fees	2,112	-	2,112	-	2,112
Other professional fees	544	-	544	20	564
Total	32,981	251	33,232	442	33,674

Appendix C: Remuneration update

Our hours and average rates:

The time cost charges incurred in the six months from 23 March 2021 to 22 September 2021 are £177k (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 March 2021 to 22 September 2021

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	0.60	573	0.25	210	4.00	2,500	2.00	1,062	29.45	13,575	3.00	756	20.20	4,949	59.50	23,625	397
Creditor Claims	0.90	882	0.20	148	2.30	1,438	0.00	0	12.65	5,670	0.00	0	0.00	0	16.05	8,138	507
Realisation of Other Assets	0.50	493	11.00	9,240.00	21.50	13,438	0.00	0	0.00	0	0.00	0	0.00	0	33.00	23,170	702
Statutory and Compliance	1.50	1,433	2.75	2,310	9.65	6,019	2.10	1,139	40.25	18,085	0.00	0	0.00	0	56.25	28,985	515
Strategy and Planning	0.50	493	4.00	3,393	11.30	7,063	0.00	0	22.75	10,238	0.00	0	0.00	0	38.55	21,185	550
Tax and VAT	10.50	14,543	0.25	319	29.30	27,203	0.40	284	56.20	29,224	4.00	990	0.00	0	100.65	72,562	721
Total for six months ended 22 September 2021	14.50	18,415	18.45	15,619	78.05	57,659	4.50	2,485	161.30	76,791	7.00	1,746	20.20	4,949	304.00	177,664	
Average hourly rate for the six month period		1,270		847		739		552		476		249		245		584	
Cumulative total to 22 September 2021															47.415	19,764,427	

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 of 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"> Dealing with ad hoc creditor queries Finalising and distributing the 13th interim dividend 	<ul style="list-style-type: none"> To ensure funds are paid out to creditors where possible 	<ul style="list-style-type: none"> To ensure that maximum possible recoveries are made to enable interim dividend payments to creditors in future periods
Asset realisations	<ul style="list-style-type: none"> Reviewing the inter-company position with Storm's US affiliates Reaching agreement with the US affiliates regarding the inter-company position 	<ul style="list-style-type: none"> To realise maximum value for the creditors 	<ul style="list-style-type: none"> Increase value of dividends paid
Statutory and compliance	<ul style="list-style-type: none"> Preparing and issuing fee pack and progress reports Six month review by all joint administrators 	<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 Preparing and finalising update notes and holding strategy meetings Maintaining budget 	<ul style="list-style-type: none"> To discuss and agree future actions 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 2020 • Preparation and submission of the quarterly VAT returns for May 2021 and August 2021 • 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 •
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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 • Distribution of future available funds to creditors with admitted claims 	35	<ul style="list-style-type: none"> • Required by statute • Manage risk of loss through credit default • Further return of creditor funds
Creditor claims	<ul style="list-style-type: none"> • Resolving any ad hoc queries from creditors 	15	<ul style="list-style-type: none"> • n/a
Statutory and compliance	<ul style="list-style-type: none"> • Preparing and distributing six monthly progress reports, fee packs and carrying out other statutory and compliance functions including closure steps 	50	<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 	80	<ul style="list-style-type: none"> • Maximise efficiency of work undertaken

- Updating Storm's webpage to inform creditors of the progress made on the estate

Tax and VAT	<ul style="list-style-type: none"> • Tax and VAT compliance including preparing tax computations and returns and seeking final tax clearance prior to closure 	85	<ul style="list-style-type: none"> • Maximising tax efficiency on recoveries for creditors • Statutory returns
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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, or payments to associates. 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.

There were no Category 2 disbursements incurred during the Period and no payments were made to associates.

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 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.

LBIE invoices Storm on a time cost basis for tax services performed for Storm’s benefit. Charges during the Period were £4k.

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.

The principle areas of work undertaken by Linklaters LLP in the Period were legal support in relation to the settlement with the US debtor and also advice in relation to case closure strategy.

During the Period the Administrators also instructed Davis Polk & Wardwell LLP to assist from a US law perspective in relation to the settlement with the US debtor. Davis Polk & Wardwell LLP were remunerated on a time-cost basis.

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 R Downs 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.	