



For further information, please  
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[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number	0	5	9	5	7	8	7	8
Company name in full	LB Holdings Intermediate 2 Limited							

→ **Filling in this form**  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s)	Gillian Eleanor
Surname	Bruce

### 3 Administrator's address

Building name/number	PricewaterhouseCoopers LLP
Street	7 More London Riverside
Post town	London
County/Region	Greater London
Postcode	S E 1 2 R T
Country	United Kingdom

### 4 Administrator's name ①

Full forename(s)	Edward John
Surname	Macnamara

① **Other administrator**  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number	PricewaterhouseCoopers LLP
Street	7 More London Riverside
Post town	London
County/Region	Greater London
Postcode	S E 1 2 R T
Country	United Kingdom

② **Other administrator**  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 7	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 5
To date	<sup>d</sup> 1	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 6

### 7 Progress report

I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 1	<sup>d</sup> 3	<sup>m</sup> 0	<sup>m</sup> 2	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 6
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# AM10

## Notice of administrator's progress report



### Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Adrienne Rorden

Company name PricewaterhouseCoopers LLP

Address Central Square

29 Wellington Street

Post town Leeds

County/Region West Yorkshire

Postcode 

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Country United Kingdom

DX

Telephone 0113 289 4000



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- The company name and number match the information held on the public Register.
- You have attached the required documents.
- You have signed the form.



### Important information

**All information on this form will appear on the public record.**



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Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.



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# Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
All fields are mandatory unless specified or indicated by \*

## 1 Appointment type

Tick to show the nature of the appointment:

- Administrator
- Administrative receiver
- Receiver
- Manager
- Nominee
- Supervisor
- Liquidator
- Provisional liquidator

① You can use this continuation page with the following forms:  
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7  
- CVA1, CVA3, CVA4  
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25  
- REC1, REC2, REC3  
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,  
- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)	David James
Surname	Kelly

## 3 Insolvency practitioner's address

Building name/number	PricewaterhouseCoopers LLP
Street	7 More London Riverside
Post town	London
County/Region	Greater London
Postcode	S E 1 2 R T
Country	United Kingdom

# **LB Holdings Intermediate 2 Limited – in administration**

Joint Administrators' Progress report  
from 14 July 2025 to 13 January 2026

Date: 13 February 2026

High Court of Justice, Chancery Division, Companies Court

Case number: 429 of 2009

Company number: 05957878



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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that are specific to this appointment and report:

<b>Company / LBHI2</b>	LB Holdings Intermediate 2 Limited - in administration
<b>Trading name</b>	LB Holdings Intermediate 2 Limited
<b>Registered number</b>	05957878
<b>Registered address</b>	7 More London Riverside, London, SE1 2RT, United Kingdom
<b>Joint Administrators / Administrators / we / us / our / Office holders</b>	Gillian Eleanor Bruce, David James Kelly and Edward John Macnamara
<b>Joint Administrators' addresses and contact details</b>	PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT Email: uk_lehmanaffiliates@pwc.com
<b>Date of the administration appointment</b>	14 January 2009
<b>Court details for the administration</b>	High Court of Justice, Chancery Division, Companies Court - Court Case 429 of 2009 / CR-2009-000052
<b>Changes in Administrators</b>	<p>On 14 January 2009, Derek Anthony Howell, Anthony Victor Lomas, Steven Anthony Pearson and Michael John Andrew Jervis were appointed as Joint Administrators.</p> <p>On 30 November 2009, Dan Yoram Schwarzmann was appointed as an additional Joint Administrator.</p> <p>On 22 March 2013, Gillian Eleanor Bruce and Julian Guy Parr replaced Dan Yoram Schwarzmann and Michael John Andrew Jervis as Joint Administrators.</p> <p>On 16 July 2018, Edward John Macnamara, Russell Downs and Ian David Green replaced Julian Guy Parr, Steven Anthony Pearson and Anthony Victor Lomas as Joint Administrators.</p> <p>On 16 June 2021, David James Kelly replaced Ian David Green as Joint Administrator.</p> <p>On 30 November 2021, Derek Anthony Howell and Russell Downs ceased to act as Joint Administrators.</p>
<b>Extensions to the initial period of appointment</b>	The High Court of Justice has granted eight extensions to the Administration period, to: 30 November 2010; 30 November 2011; 30 November 2013; 30 November 2015; 30 November 2020; 30 November 2022; 30 November 2025 and 30 November 2026.
<b>Reporting Period</b>	14 July 2025 to 13 January 2026
<b>Website</b>	<a href="https://www.pwc.co.uk/lbhi2">https://www.pwc.co.uk/lbhi2</a>
<b>LBIE</b>	Lehman Brothers International (Europe) - formerly in administration Currently in members' voluntary liquidation
<b>LBH</b>	Lehman Brothers Holdings plc - in administration
<b>Priority Application</b>	An application to the High Court to determine, among other matters, the relative priority ranking of the subordinated claims
<b>Wentworth</b>	The Wentworth Joint Venture
<b>SLP3</b>	Lehman Brothers Holdings Scottish LP3
<b>Group / Lehman Brothers group</b>	The UK Lehman Brothers group of companies

The following table shows generic abbreviations and insolvency terms that may be used in this report:

<b>Firm/PwC</b>	PricewaterhouseCoopers LLP
<b>HMRC</b>	HM Revenue and Customs
<b>IA86</b>	Insolvency Act 1986
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>Insolvency code of ethics</b>	The code of ethics aims to help insolvency practitioners meet their professional and ethical obligations. A copy can be found at <a href="https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics">https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics</a>
<b>Preferential creditors</b>	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>Sch B1 IA86</b>	Schedule B1 to the Insolvency Act 1986
<b>Secured creditor(s)</b>	A creditor with security in respect of their debt, in accordance with section 248 IA86
<b>SIP</b>	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply
<b>SIP 2</b>	Statement of Insolvency Practice 2: Investigations by office holders in Administrations and insolvent Liquidations and the submission of conduct reports by office holders
<b>SIP 9</b>	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates from an estate
<b>Statutory Interest</b>	Interest calculated in accordance with IR16 on the amount of admitted claims in respect of the periods during which such claims were outstanding since the date of commencement of the Administration to the date of full repayment, calculated as the greater of the rate payable in accordance with s.17 of the Judgments Act 1838 (currently 8% simple), and the rate applicable to the debt apart from the Administration
<b>Unsecured Creditors</b>	Creditors who are neither secured nor preferential, ranking behind secured creditors and all preferential classes of creditors

This report has been prepared by the Office holders, solely to comply with their statutory duty to report to creditors on the progress of the insolvency, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 does so at their own risk. To the fullest extent permitted by law, we do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Office holders previous reports issued to the Company's creditors, which can be found on the Company website noted above.

Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

We are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. We are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

We may act as 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 our instructions. Personal data will be kept secure and processed only for matters relating to our appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting us.

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# Key messages

## Introduction

This is the 34th progress report prepared by the Administrators of the Company.

This report provides you with an update on the progress in the most recent six-month period, together with information we are required to include by law and applicable insolvency guidance.

Please note you should read this report in conjunction with our previous reports, which can be found on the Website.

## Objective of the Administration

The Administrators are pursuing the objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), and continue to manage the Administration in accordance with the proposals approved by creditors. The Administrators continue to review the objective of the Administration on a regular basis.

## Outcome for creditors

### Unsubordinated Creditors

As previously reported, the claims of the unsubordinated, unsecured creditors, including post-administration statutory interest, have been paid in full.

### Subordinated Creditors

We previously reported that the dispute between the Company's two subordinated creditors, LBH and SLP3, had been resolved in favour of LBH such that its subordinated claim ranks for distribution before the claims of SLP3, meaning that SLP3 is not expected to receive any distributions from the Company.

Further distributions being available for LBH remain dependent on future distributions being paid to the Company from its subsidiary LBIE. Since we last reported, LBIE has exited administration and entered into a members voluntary liquidation while LBIE's liquidators continue to resolve outstanding issues and make distributions to LBH12 as shareholder.

The Company paid a tenth interim distribution of £58.2m to LBH on 5 September 2025 and on 6 February 2026 shortly after the Reporting Period, an eleventh distribution of £51m was paid to LBH.

In October 2025 LBH published an updated illustrative outcome for its unsecured creditors, which is available on its website at <https://www.pwc.co.uk/lbh>.

## Why we remain in office

We remain in office to continue to receive dividends from the Company's subsidiary, LBIE; to make further distributions to its creditors and to comply with the Company's obligations to Wentworth.

We also continue to deal with ongoing tax matters, statutory tasks and in due course we will conclude the insolvency of LBH12.

Further details are contained within the body of this report.

## What you need to do

This report is for your information and you don't need to do anything.

## This report and future updates

We are currently considering the best strategy with regard to the administration, taking into account the remaining assets potentially available to be realised, further distributions and Wentworth obligations. We'll provide an update on this in our next report.

The Administrators' next formal progress report to creditors will be in approximately six months' time, and will be posted to the Website.

If you have any questions, please contact the Administrators at [uk\\_lehmanaffiliates@pwc.com](mailto:uk_lehmanaffiliates@pwc.com).

Signed

A handwritten signature in black ink, appearing to read 'G Bruce', written in a cursive style.

**Gillian Bruce**

Joint Administrator

LB Holdings Intermediate 2 Limited - in administration

# Progress in the Reporting Period

## Background

LBHI2 is part of the UK Lehman Brothers group and is LBIE's sole member.

On appointment, the Company's main assets were interests in intercompany positions, including both debt and equity interests in LBIE. Interests in LBIE were subsequently pooled with those held by Elliott and King Street, into Wentworth.

The Administrators continue to (i) collect dividends, from LBHI2's shareholding in LBIE, as they are distributed, (ii) account to Wentworth for its share of these and (iii) make distributions to LBH as its priority subordinated creditor.

These matters are discussed further below where appropriate.

## Key progress made in the Reporting Period

### Asset realisations - Claims against and investments in LBIE

In previous progress reports, we have explained the background to Wentworth such that the Company's claims against, and interests in LBIE were participated, together with various claims against LBIE held by Elliott and King Street into Wentworth, in return for a payment of £650m and a sharing arrangement of future LBIE realisations.

As a result of the sharing arrangement, the Company has received distributions totalling £639m from Wentworth's creditor claims against LBIE.

The Company continues to be LBIE's sole member and at a hearing on 15 July 2020, the Court directed that LBIE's joint administrators could consent to requests from LBIE's directors to pay distributions to the Company, as shareholder, from surplus funds available in LBIE. To 13 January 2026 the Company has received £551.6m in shareholder distributions. A further £23.5m was received shortly after the Reporting Period. These receipts are as follows:

- £29.0m in August 2020;
- £100.0m in December 2020;
- £115.0m in January 2021;
- £93.0m in October 2021;
- £65.0m in October 2023;
- £26.0m in September 2024;
- £70.0m in February 2025;
- £53.6m in September 2025; and
- £23.5m in February 2026 – received after the Reporting Period end.

Although the Company remains the legal owner of the LBIE preference shares and LBIE pays distributions to the Company as shareholder, certain Wentworth entities have contractual rights relating to proceeds of distributions on those preference shares received by the Company. As a result, from the total dividends received to the end of the Reporting Period, the Company has retained some £289m net of its share of the Wentworth costs. Any further proceeds of preferred equity distributions that are received by the Company from LBIE will continue to be subject to the terms of the Wentworth contractual arrangements which remain confidential between the parties.

## Distributions

### Unsubordinated creditors

The claims of the Company's unsubordinated, unsecured creditors, including post-administration statutory interest, have been paid in full.

### Subordinated creditors

As reported previously, the Priority Application concluded that the subordinated claim of LBH ranked senior to the subordinated claim of SLP3. Copies of the judgments and orders of the High Court, the Court of Appeal and the Supreme Court, together with summaries of them, can be found on the Administrators' Website.

To 13 January 2026, the Company has paid distributions to LBH (in its capacity as a subordinated creditor) totalling £793.3m including the tenth distribution of £58.2m, which was declared and paid on 5 September 2025. Shortly after the Reporting Period an eleventh distribution of £51m was paid to LBH on 6 February 2026.

The level of further returns to LBH as the senior subordinated creditor remains affected by a variety of factors including:

- the ultimate outcome of the LBIE estate;
- the costs and expenses of the administration;
- the duration of the insolvency of the Company.

Due to some ongoing uncertainties regarding costs and final asset realisations from the LBIE administration we are unable to provide a meaningful estimate for further distributions to LBH at this time.

## **Tax planning and compliance**

All corporation tax returns up to and including the year ended 13 January 2025 were submitted to HMRC in the Reporting Period.

## **Extensions to the period of the administration**

During the period the Administrators applied for an application to extend the term of the Administration, which was due to expire on 30 November 2025.

Following a Court hearing which took place before Mr Justice Hildyard on 8 October 2025, an Order was granted by the Court extending the Administrators' term of office to 30 November 2026, there being various matters that remain to be addressed prior to LBHI2 finalising its affairs.

## **Investigations and actions**

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and SIP 2.

## **Our receipts and payments account**

We set out at Appendix A an account of our receipts and payments for the period and cumulatively. We have detailed above, the progress in the period, whether it has resulted in any realisations or not, together with payments made.

## **Our expenses**

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

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

## **Our fees**

We set out at 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/regulations/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx>

Creditors may also wish to refer to the previous creditors' guidance to understand the applicable regulations for appointments prior to 5 April 2010:

<https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2007/a-creditors-guide-to-administrators-fees-1-apr-2007.ashx>

Creditors can also get copies of these guides free of charge by emailing [uk\\_lehmanaffiliates@pwc.com](mailto:uk_lehmanaffiliates@pwc.com)

# Appendix A: Receipts and payments

	Notes	GBP £m			USD \$m		
		13-Jan-26	in Period	13-Jul-25	13-Jan-26	in Period	13-Jul-25
<b>Receipts</b>							
Dividends received, including from Wentworth Joint Venture		1,079.5	-	1,079.5	106.5	-	106.5
Sale of subordinated debt and senior claims in LBIE		650.0	-	650.0	-	-	-
Dividend of preferential shares received from LBIE	4	289.0	40.2	248.8	0.1	-	0.1
Reimbursement of Wentworth Joint Venture costs		4.8	0.0	4.8	-	-	-
Reimbursement of loans and advances to Wentworth Joint Venture		9.7	-	9.7	-	-	-
Sale of tax losses		33.0	-	33.0	-	-	-
Repayment of loan to LBHI		82.8	-	82.8	-	-	-
Other receipts		0.7	-	0.7	0.0	-	0.0
Gross interest received		43.8	1.4	42.4	0.0	-	0.0
<b>Total receipts</b>		<b>2,193.4</b>	<b>41.6</b>	<b>2,151.7</b>	<b>106.6</b>	<b>-</b>	<b>106.6</b>
<b>Payments</b>							
Joint Administrators' remuneration	5	28.1	0.3	27.7	-	-	-
Joint Administrators' disbursements	6	0.9	-	0.9	-	-	-
Legal and professional fees		30.4	0.2	30.2	-	-	-
Loans and advances to Wentworth Joint Venture		9.7	-	9.7	-	-	-
Legal settlement		-	-	-	90.0	-	90.0
Loan to LBHI		82.6	-	82.6	-	-	-
Other payments	7	0.9	0.0	0.9	-	-	-
Irrecoverable VAT	8	11.2	0.1	11.1	-	-	-
<b>Total payments</b>		<b>163.7</b>	<b>0.6</b>	<b>163.1</b>	<b>90.0</b>	<b>-</b>	<b>90.0</b>
<b>Intracompany transfers</b>							
Receipts		69.8	-	69.8	90.0	-	90.0
Payments		65.6	-	65.6	106.6	-	106.6
<b>Total receipts less total payments</b>		<b>2,033.9</b>	<b>41.0</b>	<b>1,992.9</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>
Distributions	9	1,974.9	58.2	1,916.7	-	-	-
<b>Total cash receipts less total payments less distributions</b>		<b>59.0</b>	<b>(17.2)</b>	<b>76.2</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>
<b>Cash balances</b>							
HSBC		0.7	(0.9)	1.6	0.0	-	0.0
Handelsbanken		11.3	(2.7)	14.1	-	-	-
Money markets	10	47.0	(13.6)	60.6	-	-	-
<b>Total cash</b>		<b>59.0</b>	<b>(17.2)</b>	<b>76.2</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>

## Notes to the receipts and payments account

1. Sums have been rounded to the nearest £0.1m. Rounding may mean the table does not cast perfectly.
2. All of the Company's assets are uncharged, due to there being no secured creditors.
3. Estimated to realise values of assets shown in the Statement of Affairs do not meaningfully compare with the current position and are therefore excluded.
4. The Company owns 100% of preference equity in LBIE. Some of the Company's rights have been participated and the receipts shown are net of payments to Wentworth.
5. As explained further in Appendix C, the Administrators' fees are based on a time costs basis. The receipts and payments account shows the amount paid in the period and total to date. There have been no payments made to us, our firm or our associates other than from the insolvent estate as shown in the receipts and payments account provided above.

6. Included within 'Joint Administrators' disbursements is £0.56m paid, in relation to 'Category 2' disbursements in accordance with the policy explained in Appendix B. No 'Category 2' disbursements were incurred in the Reporting Period.
7. Other payments include: staff and office costs, statutory advertising, bank charges, insurance and other sundry costs.
8. Due to the nature of the Company's former business, it is not entitled to recover input VAT on its costs.
9. A detailed breakdown of the distributions to creditors paid to 13 January 2026 is included in the table below.
10. Funds are held in interest-bearing accounts or invested in short-term money market deposits. The below table shows the cash held in all bank accounts as at 13 January 2026.

Account type	GBP	USD	GBP Equiv
<b>Short-term deposits</b>	58,298,608	-	58,298,608
<b>Interest-bearing accounts</b>	694,449	3,423	696,996
<b>Total cash held</b>			<b>58,995,604</b>

We continue to manage the estate's funds with a cautious outlook and with regard to appropriate policies (designed by treasury specialists), as amended from time to time whilst attending to other relevant considerations.

Funds have been held in different currencies due to certain debtor recoveries, as well as certain expenses of the administration as discussed in earlier reports. The GBP equivalent as at the end of the Reporting Period is set out in the table above.

Distributions	£m
1st distribution - 100p in the £ paid on 6 Sep 2017	698.5
1st distribution - statutory interest (£206.7m) paid on 6 Sep 2017 and (£35.7m) on 24 July 2018	242.4
2nd distribution - remaining share of statutory interest paid on 12 Sep 2018	240.6
2nd distribution - a portion of subordinated debt paid on 12 Sep 2018	44.7
3rd distribution - a portion of subordinated debt paid on 14 Mar 2019	160.0
4th distribution - a portion of subordinated debt paid on 16 Feb 2021	132.4
5th distribution - a portion of subordinated debt paid on 20 Jun 2023	110.0
6th distribution - a portion of subordinated debt paid on 13 Nov 2023	86.0
7th distribution - a portion of subordinated debt paid on 27 Feb 2024	33.0
8th distribution - a portion of subordinated debt paid on 3 Sep 2024	13.0
9th distribution - a portion of subordinated debt paid on 21 February 2025	156.0
10th distribution - a portion of subordinated debt paid on 5 September 2025	58.2
<b>Total distributions</b>	<b>1,974.9</b>

On 12 September 2018, a first distribution was paid to LBH in relation to its admitted senior subordinated claim. Since that date additional distributions have been paid as funds allow, as set out in the above table. These payments bring the total p/£ paid of the current admitted subordinated claim as at 13 January 2026 to 36.2p/£.

# Appendix B: Expenses

Expenses are amounts properly payable by us as administrators from the estate, but exclude our fees and distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. Expenses fall into two categories:

<b>Expense</b>	<b>SIP 9 definition</b>
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the general body of creditors) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

The rate for services provided by the Administrators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 2 expenses incurred in the period, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and may be recharged to the Company.

<b>Category</b>	<b>Cost incurred by</b>	<b>Basis of cost</b>	<b>Costs incurred (£)</b>
1	External providers	Treasury investment IT expense	5
1	External providers	Travel and subsistence expenses - includes air and rail travel, hotels, parking and meals	10,336
1	External providers	Postage	15
2	PwC	Printing - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying	nil
2	PwC	Mileage - petrol / diesel / hybrid - 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc); full electric - 72 pence per mile; bicycle - 12 pence per mile	nil
<b>Total</b>			<b>10,356</b>

The expense policy set out above has been approved by the general body of creditors.

## Payments to associates

In the Reporting Period, no payments have been made to associates.

## Analysis of expenses and Administrators' remuneration

The table below provides details of all the expenses incurred in the Reporting Period (stated in GBP). It should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the Reporting Period and the total paid to date.

The table excludes any potential tax liabilities that may need to be paid as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

<b>R&amp;P Category</b>	<b>Incurred in the period under review £</b>
Administrators' remuneration	530,571
Administrators' disbursements	10,356
Legal fees and disbursements	209,953
Other costs	406
Irrecoverable VAT	150,176
<b>Total</b>	<b>901,462</b>

## Details of subcontracted work

No work was subcontracted during the Reporting Period.

## Legal and other professional firms

The Administrators have instructed the following professionals on this case:

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>
<b>Legal services in relation to the extension of the administration</b>	Linklaters LLP	Industry knowledge	Time costs
<b>Legal advice regarding role and obligations in the Wentworth Joint Venture</b>	Dentons UK and Middle East LLP	Industry knowledge	Time costs

The selection of individual legal firms is determined by the jurisdiction and nature of the advice being sought, and whether conflicts exist.

All professional firms instructed by us are required to provide a narrative explanation in support of invoices. All invoices are reviewed before being approved for payment. We are satisfied that the level of legal costs is appropriate.

# Appendix C: Remuneration update

The Administrators' fees were approved by the Company's creditors by reference to time properly given by the Administrators and their staff in attending to matters arising in the administration. To 13 January 2026, the Administrators have drawn fees of £28.1m in line with the approval given, as shown on the receipts and payments account. During the Reporting Period, the Administrators drew fees of £0.3m on account of their time costs.

The time cost charges incurred in the Reporting Period are £0.5m. An analysis of the total hours and cost incurred by grade of staff can be found later in this appendix.

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

## 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, support and secretarial staff) 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 cashiers, support and secretarial staff is charged for separately and isn't 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 don't charge general or overhead costs.

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 such as those in our Tax and VAT departments where we need their expert advice. We may also utilise Technology Specialists from the wider Restructuring team or other parts of our firm. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

In common with many professional firms, our scale rates may rise e.g. to cover annual inflationary cost increases.

Grade	To 30 June 2025		From 1 July 2025	
	Restructuring, Insolvency & Forensics (£)	Tax, Legal, Data & Technologists (£)	Restructuring, Insolvency & Forensics (£)	Tax, Legal, Data & Technologists (£)
Partner	1,090	1,425	1,120	1,465
Consultant	N/A	1,425	N/A	1,465
Director	1,000	1,345	1,030	1,380
Senior Manager	800	1,090	825	1,120
Manager	640	795	660	815
Senior associate	525	585	540	600
Associate and support staff*	330	325	340	335

\*inc. Offshore Professionals

## 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.

## Analysis of Administrators' time costs for the Reporting Period

Classification of work	Partner/ Director		Senior Manager/ Manager		Senior Associate		Associate/ Support Staff		Total	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
Accounting & Treasury	1.3	1,411	38.3	26,509	120.8	65,232	25.0	8,500	185.4	101,652
Strategy & Planning	48.0	49,413	10.9	7,277	11.3	6,102	21.4	7,259	91.5	70,050
Asset Realisations	156.5	161,144	20.4	13,431	-	-	-	-	176.8	174,575
Statutory & Compliance	14.6	15,059	16.0	10,831	35.4	19,116	11.7	3,961	77.6	48,966
Creditors & Distributions	5.1	5,269	3.4	2,310	16.8	9,072	-	-	25.3	16,651
Tax & VAT	11.5	16,493	22.3	20,017	86.9	51,843	20.7	30,326	141.3	118,678
<b>Total for 6 months ended 13 January 2026</b>	<b>236.9</b>	<b>248,787</b>	<b>111.1</b>	<b>80,374</b>	<b>271.2</b>	<b>151,365</b>	<b>78.7</b>	<b>50,046</b>	<b>697.8</b>	<b>530,571</b>
<b>Average hourly rate for the 6 month period to 13 January 2026</b>										<b>760</b>
<b>Brought forward total to 13 July 2025</b>										<b>28,094,327</b>
<b>Cumulative total to 13 January 2026</b>										<b>28,624,898</b>

Cumulative total, by classification of work	Brought forward £	Period £	Cumulative £
Accounting & Treasury	3,477,952	101,652	3,579,604
Strategy & Planning	16,027,679	70,050	16,097,729
Asset Realisations	867,194	174,575	1,041,768
Statutory & Compliance	1,578,126	48,966	1,627,092
Creditors	273,568	16,651	290,219
Tax & VAT	5,869,809	118,678	5,988,487
<b>Total</b>	<b>28,094,327</b>	<b>530,571</b>	<b>28,624,898</b>

### Notes:

1. Includes a retired tax partner who has been retained as a consultant for the purpose of utilising their historical knowledge and expertise.
2. Includes offshore professionals.
3. Hours and costs have been rounded up or down, to the nearest 0.1 hour or whole pound which may result in rounding differences in the casting of the tables above.

## Our work in the period

Included earlier in this section is an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table more detail is provided on the key areas of work.

Category	Description of tasks
<p><b>Accounting &amp; Treasury</b></p> <p>This is an essential function for the management of funds held by the Administrators on behalf of the Company. The Administrators' treasury and cash management teams monitor and control the movement of funds, mitigate risk and seek to maximise the interest made on investments for the benefit of the Company's creditors.</p>	<ul style="list-style-type: none"> <li>• Reconciling bank accounts;</li> <li>• Provision of information for the purposes of statutory reporting;</li> <li>• Arranging receipts and payments of funds and coding of movements;</li> <li>• Monitoring flow of funds into the bank accounts;</li> <li>• Analysing counterparties' risk and deposit rates;</li> <li>• Review of cash investment strategy and documentation of agreement for bond portfolio;</li> <li>• Investment, monitoring and control of LBHI2's free cash resources, including ensuring cash held at best rates only in approved banks and subject to frequently reviewed limits (this work has enabled the banking interest on case funds to be maximised which has resulted in significant realisations in the administration);</li> <li>• Liaising with the cash management team to check liquidity requirements;</li> <li>• Monitoring of funds required for immediate cash needs to ensure that the optimal level of funds is held on deposit;</li> <li>• Putting in place arrangements to enable access to treasury bill market;</li> <li>• Monthly reporting of outstanding deposits and month-end bank balances; and</li> <li>• Quarterly reporting of performance and activity commentary.</li> </ul>
<p><b>Strategy &amp; Planning</b></p> <p>The inherent complexities of the Company's estate mean that the Administrators and their staff continue to invest a proportion of their time in the planning and delivery of their strategy for the progression of the Administration, for the ultimate benefit of creditors as a whole.</p>	<ul style="list-style-type: none"> <li>• Consideration of strategy to maximise the outcome for LBHI2's creditors and updating strategy documents;</li> <li>• Participation in strategy calls and emails regarding the LBHI2 extension application;</li> <li>• Discussions with stakeholders regarding case strategy including closure planning for Wentworth structure and LBHI2;</li> <li>• Review and maintenance of financial information, including input into financial models to assess possible ranges of economic outcomes;</li> <li>• Liaising with tax specialists in respect of provisions for the financial models and closure submission planning; and</li> <li>• Regular case team meetings to manage case progression.</li> </ul>
<p><b>Asset Realisations</b></p> <p>The work done by the Administrators in relation to asset realisations is important in order to maximise returns to creditors by managing potential recoveries and working with the relevant parties as necessary to further the best strategy.</p>	<ul style="list-style-type: none"> <li>• Meetings and correspondence with tax and legal advisors and the Wentworth partners;</li> <li>• Update meetings with, and reports from, LBIE and discussing strategy with the Wentworth partners;</li> <li>• Liaising with and processing the distribution received from LBIE;</li> <li>• Reviewing the LBIE progress report to creditors in context of future recoveries;</li> <li>• Attendance at and acting as chairman in Wentworth board meetings;</li> <li>• Calculating and reviewing of funds due to and from various Wentworth parties;</li> <li>• Liaising with Wentworth service providers in Luxembourg and Cayman Islands;</li> <li>• Assisting with the liquidation of obsolete Wentworth entities;</li> <li>• Reviewing financial information from Wentworth; and</li> <li>• Dealing with administrative issues, compliance and accounting relating to Wentworth.</li> </ul>

<p><b>Statutory &amp; Compliance</b></p> <p>This relates to work the Administrators undertake in order to ensure compliance with statutory and regulatory requirements.</p>	<ul style="list-style-type: none"> <li>• Preparing and circulating the Administrators' 33rd progress report to creditors;</li> <li>• Dealing with statutory filings and Companies House and the Court;</li> <li>• Preparing the Administrators' internal six-monthly case review in accordance with professional requirements;</li> <li>• Managing and updating communications on the Company's website;</li> <li>• Maintaining and managing case files, records and the Company's database; and</li> <li>• Dealing with other ad-hoc compliance and statutory tasks.</li> </ul>
<p><b>Creditors &amp; Distributions</b></p> <p>This relates to tasks undertaken in relation to creditors, including the calculation and payment of distributions and responding to inbound creditor queries received.</p>	<ul style="list-style-type: none"> <li>• Preparing and circulating two Notices of Intended Dividend to subordinated creditors and Notice of Declaration of Dividend for the tenth interim distribution;</li> <li>• Planning, calculating and paying the tenth interim distribution to subordinated creditors and dealing with associated legal notices; and</li> <li>• Communications in relation to creditors' claims</li> </ul>
<p><b>Tax &amp; VAT</b></p> <p>Work reported in this category includes compliance with tax legislation under the Administrators' obligations as proper officers for tax, and planning to ensure the efficient realisation of assets for the benefit of the Company's creditors as a whole.</p>	<ul style="list-style-type: none"> <li>• Calculation of tax provisions;</li> <li>• Finalisation and confirmation regarding the end of the Senior Accounting Officer obligations;</li> <li>• Ongoing reviews of group relief / losses positions to determine amounts available for surrender;</li> <li>• Preparing VAT returns as required by HMRC despite the Company's VAT status; and</li> <li>• Dealing with tax and VAT queries.</li> </ul>

## Our future work

Examples of work remaining to be done to achieve the purpose of the Administration are shown below. This is not an exhaustive list.

Category	Description of tasks
<p><b>Accounting and treasury</b></p> <p>Est. future cost: £500k</p> <p>This is an essential function for the management of funds held by the Administrators on behalf of the Company. The Administrators' treasury and cash management teams monitor and control the movement of funds, mitigate risk and seek to maximise the interest made on investments for the benefit of the Company's creditors.</p>	<ul style="list-style-type: none"> <li>• Provision of information for the purposes of statutory reporting;</li> <li>• Arrangement of receipts and payments of funds and coding of movements;</li> <li>• Monitoring flow of funds into the bank accounts;</li> <li>• Reconciling and closing bank accounts; and</li> <li>• Facilitating payments to the Company's creditors.</li> </ul>
<p><b>Strategy and planning</b></p> <p>Est. future cost: £250k</p> <p>The inherent complexities of the Company's estate mean that the Administrators and their staff continue to invest a significant proportion of their time in the planning and delivery of their strategy for the progression of the Administration, for the ultimate benefit of creditors as a whole.</p>	<ul style="list-style-type: none"> <li>• Directing the overall strategy for the Company;</li> <li>• Ongoing reviews and maintenance of financial information, including updating the estimated outcome statement;</li> <li>• Ongoing reviews of the remaining assets in LBIE and managing these in order to achieve closure of the subsidiary estates;</li> <li>• Liaising with Wentworth lawyers together with tax specialists to simplify the Wentworth structure and, where possible, achieve early liquidation of the entities;</li> <li>• Consider strategies (with direct and indirect stakeholders) to facilitate early liquidation or closure of the LBHI2 estate;</li> <li>• Consider whether a further extension of the administration will be necessary; and</li> <li>• Oversight of reporting and accounting, including periodic meetings to monitor progress.</li> </ul>

<p><b>Asset Realisations</b></p> <p>Est. future cost: £750k</p> <p>The work done by the Administrators in relation to asset realisations is important in order to maximise returns to creditors by managing potential recoveries and working with the relevant parties as necessary to further the best strategy.</p>	<ul style="list-style-type: none"> <li>• Liaising with various advisors and the Wentworth partners regarding the ongoing strategy;</li> <li>• Attending Wentworth overseas board meetings;</li> <li>• Update recovery and payment estimates between various Wentworth parties;</li> <li>• Review updates from LBIE and other intercompany entities in consideration of their impact on LBHI2 regarding future recoveries;</li> <li>• Consider strategies to achieve early monetisation of LBIE's residual assets;</li> <li>• Liaise with Wentworth service providers in Luxembourg and Cayman Islands;</li> <li>• Consider, with Wentworth parties and future Wentworth liquidators, whether any further values will be realised from the Wentworth vehicles;</li> <li>• Assist with the liquidation of obsolete Wentworth entities;</li> <li>• Dealing with or assisting administrative issues, compliance and accounting relating to Wentworth; and</li> <li>• Dealing with matters relating to the closure and wind down of Wentworth.</li> </ul>
<p><b>Statutory and other compliance</b></p> <p>Est. future cost: £250k</p> <p>This relates to work the Administrators undertake in order to ensure compliance with statutory and regulatory requirements.</p>	<ul style="list-style-type: none"> <li>• Preparing and issuing further progress reports to creditors;</li> <li>• Six-monthly reviews of case progress;</li> <li>• Managing and updating communications on the Company's dedicated website, maintaining and managing case files, records and the Company's database</li> <li>• Statutory filings at Companies House and Court;</li> <li>• Planning and applying for further extensions of the administration as required; and</li> <li>• Preparing for and dealing with closure of the administration and dissolution of the Company.</li> </ul>
<p><b>Creditors and distributions</b></p> <p>Est. future cost: £100k</p> <p>This relates to tasks undertaken in relation to creditors, including the calculation and payment of distributions and responding to inbound creditor queries received.</p>	<ul style="list-style-type: none"> <li>• Preparing and circulating further Notices of Intended Dividend to subordinated creditors and Notices of Declaration of Dividend;</li> <li>• Calculating reserves required from monies held by the Company and declaring and paying distributions to creditors from any surplus held;</li> <li>• Planning, calculating and paying the remaining distributions to subordinated creditors and dealing with associated legal notices; and</li> <li>• Communications in relation to creditors' claims.</li> </ul>
<p><b>Tax and VAT</b></p> <p>Est. future cost: £500k</p> <p>Work reported in this category includes compliance with tax legislation under the Administrators' obligations as proper officers for tax, and planning to ensure the efficient realisation of assets for the benefit of the Company's creditors as a whole.</p>	<ul style="list-style-type: none"> <li>• Preparation and submission of corporation tax computations and returns;</li> <li>• Consideration of impact on the Company of changes to UK tax legislation, including loss restriction and interest deductibility rules, and the potential impact as part of the corporation tax returns; and</li> <li>• Compliance with various reporting obligations including tax strategy and corporate criminal offence legislation.</li> </ul>

Whilst an estimate of future time costs is provided in the report above, the Administrators caution that actual future costs will be considerably impacted by, among other matters, including further realisations from LBIE and the resolution of the Wentworth entities. The estimate provided assumes that this will result in the insolvency lasting for at least a further 2.5 years; however, that timeframe may be shortened or lengthened depending on how the above matters are ultimately resolved. Accordingly, the eventual future costs may ultimately be materially different from those provided in the estimate.