

AM10

Notice of administrator's progress report



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1 Company details

Company number

Company name in full

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Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s)

Surname

3 Administrator's address

Building name/number

Street

Post town

County/Region

Postcode

Country

4 Administrator's name ①

Full forename(s)

Surname

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number

Street

Post town

County/Region

Postcode

Country

② Other administrator

Use this section to tell us about
another administrator.

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. ①
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Use extra copies to tell us of additional insolvency practitioners.

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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)

Surname

3 Insolvency practitioner's address

Building name/number

Street

Post town

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- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
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AM10

Notice of administrator’s progress report

6

Period of progress report

From date	d	d	m	m	y	y	y	y	
To date	d	d	m	m	y	y	y	y	


7

Progress report

☐ I attach a copy of the progress report

8

Sign and date

Administrator’s signature	Signature <div>X</div>								X
Signature date	d	d	m	m	y	y	y	y	

**Presenter information**

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Contact name

Company name

Address

Post town

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

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Crown Way, Cardiff, Wales, CF14 3UZ.
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Joint Administrators' progress report from 15 September 2024 to 14 March 2025

Lehman Brothers Limited
(in administration)

High Court of Justice, Chancery Division, Companies Court -
Court Case 7945 of 2008

14 April 2025



Strictly private and confidential

Table of contents

Abbreviations and definitions	3
Section 1: Introduction	5
Section 2: Administrators' actions in the Reporting Period	7
Appendix A: Receipts and payments	15
Appendix B: Expenses	18
Appendix C: Remuneration update	20
Appendix D: Other information	25

Important Notice

This report has been prepared by Zelf Hussain, Gillian Eleanor Bruce, Edward John Macnamara and David James Kelly of PricewaterhouseCoopers LLP as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, 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 do so at their own risk. To the fullest extent permitted by law, the Joint Administrators 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 Joint Administrators' previous reports issued to the Company's creditors, which can be found at: www.pwc.co.uk/lbl

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

Zelf Hussain, Gillian Eleanor Bruce, Edward John Macnamara and David James Kelly of PricewaterhouseCoopers LLP have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. All 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 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 Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Abbreviations and definitions

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

Abbreviation or definition	Meaning
Company / LBL	Lehman Brothers Limited - in administration
Joint Administrators / Administrators / we / us / our	Zelf Hussain, Gillian Eleanor Bruce, Edward John Macnamara and David James Kelly of PricewaterhouseCoopers LLP
Firm / PwC	PricewaterhouseCoopers LLP
Committee / Creditors' Committee	The Creditors' Committee of the Company The former members are: LB Holdings Intermediate 2 Limited - in administration Lehman Brothers Holdings Inc Lehman Brothers Holdings plc
ESH	Eldon Street Holdings Limited
Framework Agreement	LBH entered into a Framework Agreement, and which came into effect on 8 October 2023, with key creditors and stakeholders which resolved a number of matters including a complaint by one of its creditors
Group	The UK Lehman Brothers group of companies
HMRC	HM Revenue and Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
LBH	Lehman Brothers Holdings plc - in administration
LBHI	Lehman Brothers Holdings Inc.
LBHI2	LB Holdings Intermediate 2 Limited - in administration
LBIE	Lehman Brothers International (Europe) - in administration
PAMI	PAMI Holdings LLC
Partial Discharge Issue	The question concerning the correct calculation of certain of the Company's unsubordinated creditors' remaining entitlement to post-administration Statutory Interest, where those creditors have received payments from LBHI as guarantor
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
PTG	Lehman Brothers (PTG) Limited - in administration
Reporting Period	15 September 2024 to 14 March 2025
Sch. B1 IA86	Schedule B1 to the Insolvency Act 1986
Secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
Settlement Agreement	Settlement agreement dated 21 November 2024 between LBL, the Administrators, LBH and the Administrators of LBH. The agreement facilitated the final distributions to creditors and shareholders, simplifying the estates of both LBL and LBH.
SIP2	Statement of Insolvency Practice 2: Investigation by insolvent office holders in administrations and insolvent liquidations
SIP9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SLP3	Lehman Brothers Holdings Scottish LP3
Subordinated Affiliates	Certain affiliate creditors, which agreed to subordinate their Statutory Interest entitlements to those of third party creditors whose admitted claims ranked equally for the purposes of Statutory Interest, pursuant to the subordination deed approved 21 January 2021
Statutory Interest	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
Thayer	Thayer Properties Limited - in creditors voluntary liquidation
Unsecured creditors	Creditors who are neither Secured nor Preferential
Wentworth	A joint venture entered into between LBHI2, Elliott Management Corporation and King Street Capital Management to pool their holdings, in LBIE, of both debt and equity and to share the proceeds of realisations of these in an agreed sharing mechanism. The details of that mechanism remain confidential to the parties
WHT	Withholding Tax deducted on distributions and payable to HMRC

Section 1: Introduction

Introduction

This is the 33rd progress report prepared by the Administrators of the Company.

This report provides an update on the work the Administrators have undertaken, with a particular focus on progress made in the Reporting Period.

Earlier reports can be viewed on the Administrators' website at: www.pwc.co.uk/lbl.

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

Creditors will recall that by the end of the prior reporting period, the Administrators had paid:

- **Preferential creditors** - 100p in the £ to former employees with admitted preferential claims.
- **Unsecured creditors** - Dividends totalling 100p in the £ on admitted ordinary unsecured claims.
 - **Subordinated creditors**
 - Dividends totalling 100p in the £ on admitted subordinated claims ranking ahead of Statutory Interest.
 - **Sub-subordinated creditor**
 - Distribution to a sub-subordinated creditor on 14 March 2024 of 100p in the £ totalling £5.0m.
 - **Statutory Interest**
 - Distributions to preferential, unsecured totalling 100% of creditors' respective entitlements to Statutory Interest.
 - **Subordinated Affiliates**
 - Interim distributions were issued totalling 77.62% to certain affiliate creditors who agreed to subordinate their remaining Statutory Interest entitlements as a result of the settlement of the clawback litigation.
 - a final Statutory Interest distribution was paid on 14 March 2024 representing the remaining 22.38% of their entitlement (equivalent to £13.7m). In total c.£361m has been paid to the Subordinated Affiliates.

Outcome for shareholder (LBH)

During the Reporting Period, the Administrators entered into an agreement with the Administrators of LBH to settle and pay a number of the outstanding claims that existed within the LBL administration and to enable the Joint Administrators of LBL to start to proceed and close the administration.

That Settlement Agreement also facilitated a return of equity to LBH of £132.8m.

Details of further distributions made in this Reporting Period are detailed in Section 2.2 later in this report.

Committee

The Administrators periodically updated the Committee to explain how key aspects of the administration were being dealt with and to consult with the Committee on relevant issues. To date, the Administrators have held 41 meetings with the Committee, with the last one being on 13 November 2024.

One of the Committee members, PAMI, was paid in full as part of the distribution on 14 March 2024 so were no longer able to fulfil their role on the Committee. Given that any creditors' committee requires a minimum of 3 members, LBH consented to act as a member of LBL's Committee. Consent to replace PAMI with LBH was obtained from both LBHI and LBHI2 and the relevant forms confirming LBH's appointment were filed at Companies House on 12 November 2024.

Following that meeting, and with the Committee's approval, the Administrators entered into a Settlement Agreement with the administrators of LBH, as mentioned above, which facilitated the payment of a number of LBL claims. As a result of those payments, LBHI, LBH and LBHI2 are no longer creditors of the Company.

The Committee has now been dissolved, as no creditors remain outstanding and therefore eligible to sit on a creditors' committee.

Why we remain in office

The Administrators remain in office to deal with various matters, including: (i) complete the assignment of the outstanding intercompany debts; (ii) plan for the closure of the administration including distributing final equity to its shareholder; (iii) conclude our compliance work in respect of tax and VAT matters; (iv) compliance with statutory tasks; and (v) conclude the administration (including paying any unclaimed dividends to the Insolvency Service's unclaimed dividends unit).

Further details are contained within the body of this report.

This report and future updates

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

As discussed in this report we are currently considering the best strategy for ending the administration. 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 unless the administration is concluded sooner, and will be posted to the Administrators' website at www.pwc.co.uk/lbl.

If you have any questions, please contact the Administrators at uk_lbl_enquiries@pwc.com.

Signed



Z Hussain
Joint Administrator
Lehman Brothers Limited - in administration

Section 2: Administrators' actions in the Reporting Period

Background and progress made in the Reporting Period

Creditors will be aware that before the administration, LBL held most of the UK service and employee contracts on behalf of the Group, and provided all human resources, information technology, property, accounting and other services for the Group in the UK and Europe. LBL continued to provide services to other companies in administration following the Administrators' appointment until 31 May 2013 when the then continuing services and 400 retained employees were transferred to LBIE.

Throughout the administration, the Administrators have utilised specialist teams from their Firm, who have worked with retained LBL and latterly LBIE employees to ensure LBL's operations are properly coordinated and the objectives of the administration are met.

The specific aims of the administration of LBL have included:

- realising all assets of LBL, where value may exist;
- providing ongoing employee and infrastructure support to the Group in exchange for appropriate reimbursement;
- mitigating, insofar as possible, any further liabilities against LBL by the transfer or termination of contracts; and
- adjudicating the claims of creditors and paying distributions to creditors with admitted claims.

The Administrators continue their work to resolve all outstanding matters and the key work streams remaining are set out below:

Exit Strategy - Settlement Agreement and Partial Discharge Issue

As discussed in our previous report, the Administrators entered into discussions with the LBH Administrators for the purpose of exploring options to settle a number of the outstanding claims against LBL and to pave the way for the Administrators to progress and close the administration.

On 21 November 2024, the Administrators concluded a Settlement Agreement with the LBH Administrators which facilitated the payment of a number of LBL claims and a return of equity to LBH.

As part of that agreement, £174.7m was received by way of a Statutory Interest distribution from LBH following a commercial compromise being reached on the Partial Discharge Issue. This receipt is included in the Other receipts category in the receipts and payments account at Appendix A.

This is discussed in more detail in Section 2.1 below.

Residual Creditor Claims

The Administrators are required to make periodic 'catch-up' dividend payments to creditors when further claims are agreed or bank details provided. We have previously reported that the Administrators have undertaken a tracing exercise to identify creditors who had not received their dividend entitlements. In our prior progress reports we stated that 15 additional creditors had been identified. Of these 15 identified creditors 8 provided details to verify their outstanding claim and have subsequently received principal dividend payments together with Statutory Interest entitlements of c.£29k and c.£38k (inclusive of c.£7.5k WHT deducted and paid to HMRC).

The Administrators have now ceased their work to trace the remaining creditors due to all avenues being exhausted and the costs associated with the same. The dividends and Statutory Interest entitlements of all remaining residual creditors, which the Administrators have been unable to locate and verify, totals £916k and will be paid to the Insolvency Service's unclaimed dividends unit in the coming weeks. This includes Statutory Interest of £532k, which is calculated until 30 November 2025, being the estimated expiry date of the administration.

Intercompany balances

In the Reporting Period, agreement was reached with two intercompany debtors and £70k was subsequently received on 3 February 2025 in full and final settlement of those balances. The outstanding balance of the other intercompany receivables which may be recoverable for LBL's estate is c.£1.0m. The timing and actual quantum of any further dividends are contingent on a number of issues and actual recoveries therefore remain uncertain. We are in the process of transferring LBL's right, title and interest in these claims to LBH, which will be completed in the coming

weeks. LBH is the only party with an economic interest in LBL following the execution of the Settlement Agreement on 21 November 2024.

Other Matters

Other developments during the Reporting Period include:

- VAT returns for the period ending May 2024, August 2024, and November 2024 have been submitted to HMRC. HMRC has confirmed that it will repay £1m which includes amounts repayable under the May 2022 and August 2022 returns of £169.5k, as well as £12.3k repayment supplement. These payments will be made to LBH, which is now the representative member of the VAT group, and LBL will receive their allocation following receipt.
- In Section 2.1 we provide further information on the Settlement Agreement and Partial Discharge Issue, including details of the payment of future distributions to subordinated creditors.

Investigations and actions

Nothing has come to the Administrators' attention during the Reporting Period to suggest that they need to do any more work in line with their duties under the Company Directors' Disqualification Act 1986 and SIP2.

Administrators' receipts and payments account

The Administrators set out in Appendix A an account of their receipts and payments in the administration for the six months to 14 March 2025, together with a cumulative total since the beginning of the administration.

The receipts and payments account shows an overview of cash movements. Key movements include:

Receipts

- c.£174.7m of Statutory Interest from LBH (after taking account of the Partial Discharge Issue);
- c.£951k relating to bank account interest;
- Group VAT repayments of c.£123k (which we are in the process of allocating to Group companies); and
- c.£97k relating to intercompany balances due to LBL from PTG, Thayer and ESH.

Payments

- c.£132.8m relating to a shareholder equity distribution to LBH;
- c.£86.9m relating to Statutory Interest due to two Subordinated Affiliates (LBH and LBH12);
- unsecured creditor distributions totalling c.£6.2m being Statutory Interest due on a principal amount of £5.0m paid in the previous reporting period;
- Administrators' fees of c.£718k and legal fees of c.£356k;
- c.£134k relating to directors and officers insurance; and
- distribution to HMRC in relation to its Inheritance Tax Anniversary charges claim of £98k including Statutory Interest of £59k.

The receipts and payments account set out at Appendix A 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.

Administrators' fees

An update on the Administrators' remuneration - which covers the Administrators' fees, disbursements and other related matters in this case is set out at Appendix C.

Administrators' expenses

A statement of the expenses incurred to the date covered by this report and an estimate of future expenses is set out at Appendix B.

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?la=en>

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?la=en>

Creditors can also get copies of these guides free of charge by telephoning Sam Green on 0113 289 4000 or by emailing uk_ibl_enquiries@pwc.com

2.1 Key value drivers

Exit Strategy - Settlement Agreement and Partial Discharge Issue

As creditors may recall, in October 2023 LBH entered into a Framework Agreement with key creditors and stakeholders which resolved a number of matters.

A separate question had arisen regarding the correct calculation of the amount LBL is owed by LBH in relation to its remaining entitlement to Statutory Interest on its unsubordinated debt. This issue relates to those creditors, including LBL, who have received payments from LBHI as guarantor. The question concerns whether the Court of Appeal's decision in the Priority Litigation in 2021 in relation to the partial discharge of the LBH Sub-Debt claim is also applicable to the claims of certain of LBH's admitted unsubordinated creditors who also received payments from LBHI as guarantor of such claims.

Several of LBH's creditors have previously adopted the position that the Court of Appeal decision applies more widely and that amounts of post-administration Statutory Interest, which remain due to the relevant unsubordinated creditors, should be adjusted to account for the guarantee payments received by them.

In the Reporting Period, a settlement was reached with LBH which was executed on 21 November 2024. This agreement facilitated the following:

- A commercial compromise was agreed with the LBH Administrators where the remaining Statutory Interest payable by LBH to LBL but subject to the Partial Discharge Issue was agreed at c.£174.7m. This amount was received by LBL in the Reporting Period;
- Payment of Statutory Interest to LBH of c.£45.5m;
- Payment of Statutory Interest to LBHI2 of c.£41.4m;
- Payment of £6.2m to LBHI in respect of Statutory Interest due on a subordinated claim; and
- An equity distribution to LBH of £132.8m.

The settlement effectively resolved the Partial Discharge Issue and facilitated the final distributions to creditors and shareholders, simplifying the estates of both LBL and LBH.

LBL is now finalising the administration of its estate and expects a further nominal equity distribution will be made to LBH prior to its exit from administration.

Intercompany balances

LBL also has six debtor balances with other Group companies. In the Reporting Period, the Administrators agreed a settlement in respect of amounts due from PTG of £20k and Thayer of £50k in full and final settlement of amounts owed. The balance of the other intercompany balances due to LBL totals c.£1.0m. These claims will be assigned to LBH as part of the steps to allow the closure of LBL.

Committee and Fee Approval

The Creditors' Committee has previously resolved that the Administrators' remuneration be fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the administration. The Creditors' Committee has approved PwC time costs from the date of appointment (i.e. 15 September 2008) to 30 September 2024.

Committee Meeting held on 13 November 2024 - Change in Basis of Remuneration

As mentioned earlier, LBH was appointed to the Committee on 12 November 2024. Noting that insolvency practitioners of PwC are also administrators of LBH and LBHI2, both of whom sit on the LBL Committee, the Administrators have put the following protocols in place in terms of fee resolutions:

- Remuneration from 1 October 2024 is capped at £1.25m. This is less than the amount set out in the 32nd progress report which estimated future Administrators' remuneration (post 14 September 2024) of £2.1m;
- The administrators of LBH would seek approval from the LBH creditors' committee (noting that these creditors include those with the remaining economic interest in the LBL and LBH administrations) to this basis of remuneration and provide disclosure of the amounts incurred; and
- The Administrators would include reference to the proposed change in the basis of the remuneration and the change in the LBL Committee composition in the next progress report (this report, to be issued in April 2025);

The above resolutions were put before LBHI, as the third party creditor. LBH and LBHI2 were asked to consider supporting LBHI's voting if the respective Administrators felt it appropriate.

LBHI approved resolutions 1-5, as set out below, on 19 November 2024, which was then supported by LBHI2 and LBH:

- **Resolution 1:** The Administrators remuneration was approved at £983,821.00 plus VAT, which represents 100% of their time costs for the 6 month period from 1 December 2023 to 31 May 2024 (as presented at the last Committee meeting);
- **Resolution 2:** That with effect from 1 July 2024, the Administrators and their staff can be charged out at the hourly rates (set out on page 16 of fee pack presented at the prior committee meeting) covering the years ending 30 June 2025, 30 June 2026 and 30 June 2027;
- **Resolution 3:** The Administrators were authorised to draw remuneration of £153,000.60 plus VAT, which represents 25% of their time costs for the 4 month period from 1 June 2024 to 30 September 2024;
- **Resolution 4:** The Joint Administrators be authorised to draw remuneration at 100% of their time costs for the period 1 October 2024 until the end of the administration term, capping the amount at no more than £1,250,000 plus VAT; and
- **Resolution 5:** That the Administrators may apply to Court in respect of their discharge from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as Administrators. The timing the discharge takes effect will be specified by the Court. With the Court's approval, the Administrators will then cease to act and file notice to move to dissolution with the Registrar of Companies. The Company will be dissolved three months after the registering of the notice with the Registrar of Companies.

The resolutions were then put to the LBH creditors' committee at a meeting held on 4 December 2024 and subsequently approved by the third party members being MBAM, LBHI and LBGP1.

2.2 Creditor claims and dividend prospects

Distributions

Secured creditors

There are no Secured creditors of the Company.

Preferential creditors

As mentioned earlier in this report, a dividend of 100p in the £ has been paid to Preferential creditors whose claims have been admitted.

Unsecured and subordinated creditors

Dividends totalling 100p in the £ have been paid on admitted unsecured claims and on admitted claims subordinated to unsecured claims but ranking ahead of Statutory Interest.

During the Reporting Period, a payment of £39k was made to HMRC in respect of an unsecured claim in relation to Inheritance Tax Anniversary charges.

Statutory Interest for post-administration periods

On 13 September 2018 an interim distribution was declared and paid in respect of Statutory Interest, being 31.4% of the respective entitlements to such interest of Preferential creditors, Unsecured creditors and subordinated creditors with claims ranking ahead of Statutory Interest.

Following the settlement of the clawback litigation (as set out in the Administrators' 25th progress report), the Subordinated Affiliates agreed to subordinate their Statutory Interest entitlements to those of other creditors whose admitted claims ranked equally for the purposes of Statutory Interest.

On 22 March 2021, a final payment of Statutory Interest was declared (paid on 13 April 2021) to Preferential and Unsecured creditors (other than the Subordinated Affiliates), being the remainder of the respective entitlements such that the cumulative paid amounts total 100%.

On 14 March 2024, a payment of c.£13.7m was paid to subordinated creditors, being 22.38% of the statutory interest entitlements.

On 31 May 2024, a payment of Statutory Interest (of c.£1.2m) was declared and paid on the one remaining unsecured claim which was admitted and paid.

During the Reporting Period, a payment of £59k was made to HMRC, being 100% of its Statutory Interest entitlement on the aforementioned Inheritance Tax Anniversary charge claim.

Subordinated Affiliates

The total of Statutory Interest paid to the Subordinated Affiliates to date is c.£361m.

During the Reporting Period, the following payments of Statutory Interest were paid to Subordinated Affiliates:

- c.£45.4m to LBH;
- c.£41.4m to LBHI2; and
- c.£6.2m to LBHI.

Claims agreement

The Administrators' Notice of Intended Dividend dated 6 August 2018 gave notice that the last date for proving for claims was 28 August 2018. As such, the deadline for submitting claims has passed and the Administrators are not obliged to adjudicate claims submitted after that date. A number of additional or amended claims were submitted before 28 August 2018. All claims have now been adjudicated and paid.

Catch-up dividends

It was the Administrators' policy to make periodic 'catch-up' dividend payments to creditors when further claims are agreed or bank details provided.

As mentioned previously, the Administrators have undertaken a tracing exercise and have written to a number of outstanding creditors with the assistance of the Department for Work and Pensions, and other avenues, in efforts to make contact and ultimately payment. The Administrators have now ceased all efforts to trace creditors due to all avenues being exhausted and the ongoing costs associated with the same yielding no further return to creditors.

The dividends and Statutory Interest entitlements of all remaining residual creditors which the Administrators have been unable to trace will be paid to the Insolvency Service's unclaimed dividends unit. The value of these claims total £916k, which includes Statutory Interest of £532k, calculated up to 30 November 2025, being the estimated last date of the administration. During the Reporting Period we reached out to the Insolvency Service's unclaimed dividend unit, who have agreed that the unpaid dividends can be transferred to their account. This transfer will be completed in the coming weeks.

Shareholder distributions

As detailed above, the Administrators entered into an agreement with the Administrators of LBH to settle and pay a number of the outstanding claims that existed within the LBL administration to enable the Joint Administrators of LBL to then proceed and close the administration.

That Settlement Agreement facilitated a return of equity to LBH of £132.8m.

Claim reserves and dividend prospects

The Administrators continue to reserve for amounts that may be due to HMRC in respect of the Employee Benefit Trusts ("EBT") (see below).

Other HMRC related matters

HMRC are seeking to offset employment tax liabilities of c.£0.5m relating to earlier periods against the VAT repayments due. We are liaising with HMRC to understand the overall position and hope to be in a position to resolve this matter shortly.

We also continue our discussion with HMRC in relation to amounts due in respect of Inheritance Tax Anniversary Charges ("IHT") and EBTs. In the Reporting Period, we agreed the balance to be paid to HMRC in respect of IHT charge, with the following payments being made:

- c.£43.0k in respect of its principal claim; and
- c.£54.4k of Statutory Interest.

These amounts were paid in full and final settlement of all amounts due in respect of IHT. We continue to discuss LBL's EBT position with HMRC with a view to closing this matter as expeditiously as possible.

2.3 Tax and compliance

Prior to entering administration, LBL coordinated the Group's corporate tax, VAT and PAYE affairs. In anticipation of the closure of LBL being completed by 30 November 2025, the Administrators and LBH's administrators have changed the representative member of the VAT group to LBH.

Progress

Specific progress in the Reporting Period includes:

Corporation Tax

- Preparation and submission of the year ended 31 May 2024 tax return and corporate interest restriction return, including ongoing review of tax legislative changes;
- Providing tax support regarding potential future payments;
- Preparation and submission of CT61 returns for the purposes of withholding income tax from payments of Statutory Interest and responding to queries from creditors; and
- Compliance with responsibilities under Senior Accounting Officer legislation. From 1 December 2023, the Administration no longer meets the requirements under the Senior Accounting Officer ("SAO") legislation. All certifications and notifications up to 30 November 2023 have been made, including obligations regarding the Lehman group Tax Strategy.

VAT

- All VAT returns have been submitted up to, and including, the quarter ended February 2025; and
- In anticipation that substantive steps to close LBL will be completed by 30 November 2025, the Administrators and LBH's administrators have changed the representative member of the VAT group to LBH. LBL will be removed from the VAT group in the coming months. LBH will now receive future VAT repayments from HMRC on behalf of the VAT group members.

PAYE and other Employment Taxes

- Submission of monthly RTI (Real Time Information) returns; and
- Reviewing historic case records to evidence the submission and payment of PAYE tax following queries raised by HMRC, discussed above.

Appendix A: Receipts and payments

Covering the period 15 September 2008 - 14 March 2025

Amount in millions	Notes	GBP	EUR	USD	CHF	As at	As at	Movement
						14 Mar 2025	14 Sept 2024	
						Total in GBP	Total in GBP	
Receipts								
Contribution from third parties	1	142.4	0.6	11.3	-	150.1	150.1	-
Building recharge receipts		130.4	-	-	-	130.4	130.4	-
Payroll recharge receipts		502.0	0.1	57.1	-	538.4	538.4	-
Other (including realisations and payments for other companies)		1,400.7	3.9	222.8	0.9	1,544.8	1,369.2	175.6
Tax related receipts		728.7	-	-	-	728.7	728.7	-
VAT received on invoices		16.4	-	-	-	16.4	16.3	0.1
Total receipts for period		2,920.6	4.6	291.2	0.9	3,108.8	2,933.0	175.8
Payments								
Building and occupancy cost		(179.4)	(0.3)	(62.9)	-	(219.7)	(219.7)	-
Payroll and employee costs	2	(520.6)	(2.8)	(45.2)	-	(551.7)	(551.7)	-
Return of recharge surplus		(2.4)	-	-	-	(2.4)	(2.4)	-
Other costs and payments		(74.5)	(0.3)	(1.2)	-	(75.5)	(75.5)	-
Other advisors' costs		(1.5)	-	-	-	(1.5)	(1.3)	(0.1)
Legal fees		(44.5)	-	(5.2)	-	(48.3)	(48.0)	(0.4)
Administrators' fees and expenses	3	(47.9)	-	-	-	(47.9)	(47.2)	(0.7)
Settlement of clawback liability		-	-	(112.0)	-	(80.8)	(80.8)	-
Return of Corporation Tax to group companies		(469.9)	-	-	-	(469.9)	(469.9)	-
VAT related payments		(211.8)	-	-	-	(211.8)	(211.8)	-
VAT paid on invoices		(22.5)	-	(1.4)	-	(22.2)	(21.9)	(0.2)
Intercompany transfer		(1.5)	-	-	-	(1.5)	(1.5)	-
Total payments for period		(1,576.4)	(3.4)	(227.9)	(0.0)	(1,733.1)	(1,731.7)	(1.4)
Inter-currency transfers								
Receipts from inter-currency transfers		164.1	2.7	189.2	-	309.1	309.1	-
Payments from inter-currency transfers		(131.1)	(3.9)	(252.5)	(0.9)	(297.7)	(297.7)	-
Non-cash brought forward FX adjustment		-	-	-	-	(10.3)	(10.3)	-
Net inter-currency transfers		33.0	(1.2)	(63.3)	(0.9)	1.1	1.1	-

Distributions

Distribution to Preferential creditors @ 100p/£ (declared 07/06/13)		(1.9)	-	-	-	(1.9)	(1.9)	-
Distribution to Unsecured creditors @ 1.66p/£ (declared 15/12/14)		(11.3)	-	-	-	(11.3)	(11.3)	-
Distribution to Unsecured creditors @ 98.34p/£ (declared 06/09/17)		(674.8)	-	-	-	(674.8)	(674.8)	-
Distribution to subordinated creditors @ 77.44p/£ (declared 06/09/17)		(19.4)	-	-	-	(19.4)	(19.4)	-
Distribution to subordinated creditors @ 22.56p/£ (declared 14/04/18)		(5.6)	-	-	-	(5.6)	(5.6)	-
Distribution to sub-subordinated creditor @ 100p/£ (declared 14/03/24)		(5.0)	-	-	-	(5.0)	(5.0)	-
Distribution to Unsecured creditors @ 100p/£ (declared 31/05/2024)		(0.9)	-	-	-	(0.9)	(0.9)	-
Distribution to Unsecured creditors @ 100p/£ (declared 13/06/2024)		(0.0)	-	-	-	(0.0)	(0.0)	-
Distribution to Unsecured creditors @ 100p/£ (declared 21/01/2025)		(0.1)	-	-	-	(0.1)	(0.0)	(0.1)
Gross distribution to Preferential, Unsecured and subordinated creditors of Statutory Interest @ 31.4% (declared 13/09/18)		(160.9)	-	-	-	(160.9)	(160.9)	-
Gross distribution to Subordinated creditors of Statutory Interest @ 33.6% (declared 12/03/21)		(146.5)	-	-	-	(146.5)	(146.5)	-
Gross distribution to Preferential and Unsecured creditors of Statutory Interest @ 68.6% (declared 13/04/21)		(47.8)	-	-	-	(47.8)	(47.8)	-
Gross distribution to Subordinated creditors of Statutory Interest @ 12.62% (declared 16/09/21)		(56.6)	-	-	-	(56.6)	(56.6)	-
Gross distribution to Subordinated creditors of Statutory Interest @ 22.38% (declared 14/03/2024)		(13.7)	-	-	-	(13.7)	(13.7)	-
Gross distribution to Unsecured creditors of Statutory Interest @ 100% (declared 31/05/2024)		(1.2)	-	-	-	(1.2)	(1.2)	-
Gross distribution to Subordinated creditors of Statutory Interest @ 100% (declared 29/11/2024)		(6.2)	-	-	-	(6.2)	-	(6.2)
Gross distribution to Subordinated creditors of Statutory Interest @ 100% (declared 03/12/2024)		(86.9)	-	-	-	(86.9)	-	(86.9)
Gross distribution to Unsecured creditors of Statutory Interest @ 100% (declared 21/01/2025)		(0.1)	-	-	-	(0.1)	-	(0.1)
Shareholder distributions declared (03/12/2024)		(132.8)	-	-	-	(132.8)	-	(132.8)
Total distributions	4	(1,371.7)	-	-	-	(1,371.7)	(1,145.8)	(225.9)
Net cash position		5.5	-	0.0	0.0	5.2	56.8	(51.6)
Bank balances								
HSBC	5	5.0	-	-	-	5.0	8.5	(3.5)
Money Market Funds	5	-	-	-	-	-	48.1	(48.1)
Net bank balance	6	5.0	-	0.0	0.0	5.0	56.6	(51.6)

Notes to the receipts and payments account

1. Amounts include elements of building and occupancy and payroll-related recharges.
2. Amounts include payroll costs attributable to LBL.
3. Amounts shown include Administrators' disbursements of c.£0.8m.
4. A detailed breakdown of distributions paid is included in the below table.

	£'m
Distribution to Preferential creditors at 100p/£, declared 07/06/13	1.9
Distribution to Unsecured creditors at 1.66p/£, declared 15/12/14	11.3
Distribution to Unsecured creditors at 98.34p/£, declared 06/09/17	674.8
Distribution to subordinated creditors at 77.44p/£, declared 06/09/17	19.4
Distribution to subordinated creditors at 22.56p/£, declared 14/04/18	5.6
Distribution to sub-subordinated creditor @ 100p/£, declared 14/03/24	5.0
Distribution to Unsecured creditors @ 100p/£, declared 31/05/2024	0.9
Distribution to Unsecured creditors @ 100p/£, declared 13/06/2024	0.0
Gross distribution to Preferential, Unsecured and subordinated creditors of Statutory Interest at 31.4%, declared 13/09/18	160.9
Gross distribution to Subordinated creditors of Statutory Interest at 33.6%, declared 12/03/2021	146.5
Gross distribution to Preferential and Unsecured creditors of Statutory Interest at 68.6%, declared 13/04/2021	47.8
Gross distribution to Subordinated creditors of Statutory Interest at 12.62%, declared 16/09/2021	56.6
Gross distribution to Subordinated creditors of Statutory Interest at 22.38%, declared 14/03/2024	13.7
Gross distribution to Unsecured creditors of Statutory Interest @ 100%, declared 31/05/2024	1.2
Gross distribution to Subordinated creditors of statutory Interest @ 100%, declared 29/11/2024	6.2
Gross distribution to Subordinated creditors of Statutory Interest @ 100%, declared 03/12/2024	86.9
Gross distribution to Unsecured creditors of Statutory Interest @ 100%, declared 21/01/2025	0.1
Shareholder distributions, declared 03/12/2024	132.8

5. Funds are held in interest-bearing accounts.
6. Due to the effect of historic exchange rates on the brought forward amounts, the bank account balance shown in the Total in GBP column included in the table does not reflect the actual cash held at the end of the Reporting Period. The GBP equivalent of bank balances held on 14 March 2025 was c.£5m.
7. The table below shows the cash held in all bank accounts as at 14 March 2025.

Bank balances	GBP	EUR	USD	CHF	GBP Eqv
HSBC	4,936,484	-	-	-	4,936,484
Barclays	59,504	-	-	-	59,504
Money Market Funds	-	-	-	-	-
Total cash held	4,995,987	-	-	-	4,995,987

8. Amounts shown exclude VAT. Funds currently held may include monies due to HMRC or other members of a VAT group, or exclude monies which will be received in due course from these parties.
9. Figures in the table may not be perfectly cast due to rounding.
10. Brought forward amounts are as per the previous progress report.

Funds have been held in different currencies in order to reduce the risk to the estate of exchange rate fluctuations when settling non-GBP liabilities (for example, legal fees payable in USD). All of the estate funds are now held in GBP.

Appendix B: Expenses

Expenses are amounts properly payable by the Administrators from the estate. They include the Administrators' fees but exclude distributions to creditors.

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

Expense	SIP9 definition
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 the Administrators' Firm or their associates, or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

Approval from creditors is not required to draw Category 1 expenses as these have all been provided by third parties, but approval is required to draw Category 2 expenses. The body of creditors who approve the Administrators' fees (in this case the Committee) also have the responsibility for agreeing the policies for payment of Category 2 expenses and the Committee have approved our Category 2 expenses policy.

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 1 expenses that have been incurred as disbursements by PwC in the current Reporting Period and will be recharged to the case.

Category	Provided by	Basis of cost	Costs incurred £
1	PwC	Postage	16
1	PwC	Travel	157
1	Money Market	Treasury costs	10
Total			183

Payments to associates and subcontracted work

LBIE is a member of the Group, and several of its Administrators are also Administrators of LBL. LBIE's employees are instructed to perform tax work for LBL in order to achieve cost savings by streamlining the processes across the Group, and to benefit from the specialist expertise held. During the Reporting Period £4.8k was paid to LBIE in this regard.

Analysis of expenses and Administrators' remuneration

The table below provides details of all the expenses incurred in the administration (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.

R&P category	Notes	Paid in previous periods (£m)	Paid in period (£m)	Incurred in period but not paid (£m)	Cumulative (£m)	Estimated future (£m)	Estimated total (£m)
Building and occupancy costs		219.8	-	-	219.8	-	219.8
Payroll and employee costs		551.5	-	-	551.5	-	551.5
Return of recharge surplus		2.4	-	-	2.4	-	2.4
Other costs and payments		75.4	-	-	75.4	0.1	75.5
Other advisors' costs	1	1.3	0.1	-	1.4	0.4	1.8
Legal fees	1	50.0	0.4	-	50.4	1.8	52.2
Administrators' time costs	1,2	46.4	0.7	0.5	47.6	1.3	48.8

Administrators' disbursements	2	0.8	-	-	0.8	-	0.8
Total 4	3,4	947.6	1.2	0.5	949.3	3.6	952.8

Notes to the expenses table

1. Legal fees have been incurred during the Reporting Period including to develop and implement the exit strategy, however, these costs have not yet been quantified and therefore are not accrued in this report.
2. The Administrators estimate that the time costs currently required to maintain the routine aspects of the administration and progress the closure of the LBL estate at £1.25m.
3. Included in 'Other advisors costs' are the costs of engaging directors (including their legal advisors) as part of the exit strategy set out in the main body of this report.
4. Excludes VAT, which is partly recoverable.
5. Future expenses are uncertain but relate in part to an archiving agreement, the details of which are commercially sensitive. The bases of these costs have been approved by the Committee during a previous reporting period.

Legal and other professional firms

The Administrators have instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services, including: <ul style="list-style-type: none"> • Legal input into the claims adjudication process and settlement where required • Advice in respect of unclaimed dividends • Advice on other ad hoc matters • Advice on the proposed extension to the administration term • Advice on the various options in relation to the exit strategy 	<ul style="list-style-type: none"> • Linklaters LLP 	Specialist knowledge and experience (in overseas jurisdictions, where applicable)	Time cost basis
Legal services, including: <ul style="list-style-type: none"> • Legal advice provided to the directors in relation to their appointment • Legal advice provided to the directors in relation to the declaration of shareholder dividends • Legal advice provided to the directors in relation to the Directors and Officers insurance policy 	<ul style="list-style-type: none"> • Squire Patton Boggs 	Specialist knowledge and experience (in overseas jurisdictions, where applicable)	Time cost basis
Legal services, including: <ul style="list-style-type: none"> • Legal advice in matters concerning the creditor complaint received by the Joint Administrators of LBH 	<ul style="list-style-type: none"> • Winston & Strawn London LLP 	Specialist knowledge and experience (in overseas jurisdictions, where applicable)	Time cost basis

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 the Administrators are required to provide a narrative explanation in support of invoices. All invoices are reviewed before being approved for payment. The Administrators are satisfied that the level of legal costs is appropriate.

Appendix C: Remuneration update

The Administrators' fees were approved by the Committee by reference to time properly given by the Administrators and their staff in attending to matters arising in the administration. Please refer to the "Committee and Fee Approval" section of this updated at pages 10-11 for an explanation of how the Administrators' fees are being approved following dissolution of the Committee at the end of November 2024.

To 14 March 2025, the Administrators have drawn fees and expenses of £47.9m in line with the approval given, as shown on the receipts and payments account. During the Reporting Period, the Administrators drew fees of £718k on account of their time costs for the period from 1 July 2024 to 31 October 2024.

The time cost charges incurred in the Reporting Period are £855,927. An analysis of the total hours and cost incurred by grade of staff can be found later in this appendix.

Set out later in this appendix are details of the work undertaken to date and anticipated future work.

Time charging policy and hourly rates

The Administrators and their team charge time for the work they need to do in the administration. Tasks are delegated to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed, and the Administrators supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by senior staff or the Administrators.

All PwC staff who work on the administration (including the Firm's 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 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). The Administrators do not charge general or overhead costs.

Set out below are the maximum charge-out rates per hour for the grades of PwC staff who worked on the administration during the Reporting Period. Updated hourly rates were agreed with the Creditors' Committee with effect from 1 July 2024.

From 1 July 2024		
Grade	Restructuring, Insolvency & Forensics (£)	Tax, Legal, Data & Technologists (£)
Partner	1,090	1,425
Consultant	N/A	1,425
Director	1,000	1,345
Senior Manager	800	1,090
Manager	640	795
Senior Associate	525	585
Associate and support staff *	330	325

* inc. Offshore Professionals

Relationships

The Administrators have no business or personal relationships with the parties who approve their fees or who provide services to the administration where the relationship could give rise to a conflict of interest (noting the fee approval process outlined above following the dissolution of the previous Committee).

Analysis of Administrators' time costs for the period 1 September 2024 to 28 February 2025

Reporting Category	Partner		Consultant		Director		Senior Manager		Manager		Senior Associate		Associate		Total		Average hourly rate (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Accounting and Treasury	8	8,386	-	-	0	300	11	8,835	46	30,026	85	45,256	20	6,700	171	99,502	582
Employee and Creditor Claims	7	7,412	-	-			3	2,440	13	8,955	24	13,394			48	32,200	677
Intercompany	1	525	-	-			1	880	2	1,238	2	949			5	3,591	733
Shareholders	22	24,144	-	-			1	440			2	813	0	49	24	25,445	1,045
Statutory and Compliance	26	26,537	-	-	7	6,800	46	36,679	73	47,023	78	41,340	0	81	231	158,460	687
Strategy and Planning	41	43,057	-	-	2	1,700	100	79,881	34	20,982	28	8,996			206	154,615	752
Tax and VAT	34	36,308	64	90,488	24	31,597	115	122,157	127	97,389	3	1,471	8	2,704	374	382,113	1,022
Grand Total	139	146,368	64	90,488	33	40,397	277	251,311	295	205,612	222	112,218	29	9,534	1,058	855,927	809

During the administration term, we have incurred time costs totalling £47,277,645 representing 137,110 hours at an average hourly rate of £345.

Work undertaken in the Reporting 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
Accounting and treasury 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.	<ul style="list-style-type: none"> Facilitating payments of Statutory Interest; Investment, monitoring and control of LBL'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). In the 6 months to 14 March 2025, the investments made by the Treasury team resulted in interest of c.£640k being received (this is c.£350k above that which would have been earned using Barclays' standard products); Monitoring investment strategy and reviewing in response to changing market conditions; Reviewing liquidity and investment maturities to ensure sufficient cash to meet administration expenses; Periodic audit of treasury processes and procedures; Adherence to the UK and US FATCA (Foreign Account Tax Compliance Act) and CRS (Common Reporting Standard); Preparing of periodic receipts and payments reports and information to support financial management and decision making; Periodic reconciliation of bank accounts to ledger; Providing input to VAT returns and distribution of VAT receipts to other Lehman administration companies; and Processing of general day to day payments and receipts.
Employee and creditor claims This relates to tasks undertaken in relation to creditors, including the calculation and payment of distributions and responding to inbound creditor queries received.	<ul style="list-style-type: none"> Obtaining and verifying revised bank account details from creditors; Corresponding with the Insolvency Service regarding untraced creditors and arranging for the unclaimed dividends to be paid; Discussions with tax advisors with regards to the applicability of WHT deductions on all distributions made and proposed; Preparation of calculations for the Statutory Interest distributions to LBH12 and LBH1; Issuing an electronic payment to a creditor who was previously unable to bank their dividend cheque; and Calculating and paying the unsecured and Statutory Interest distributions discussed earlier in this report.
Intercompany	<ul style="list-style-type: none"> Liaising with connected companies with regard to insolvent debtor collections; Agreement of settlement amounts with intercompany debtors in respect of amounts due to LBL; and Arranging for intercompany debtors to be assigned to LBH in preparation for the closure of the administration.
Statutory and other compliance This relates to work the Administrators undertake in order to ensure compliance with statutory and regulatory requirements.	<ul style="list-style-type: none"> Preparing, reviewing and issuing of the September 2024 progress report to creditors and Companies House; Six monthly review of case progress; Monitoring adherence of statutory and compliance tasks, and statutory filings at Companies House and Court; Review of statutory and compliance matters in relation to the exit options and exit planning; Work in relation to the change in Committee membership and filing relevant form at Companies House; Recording, monitoring and reporting of time spent by administration case staff; and

Category	Description of tasks
	<ul style="list-style-type: none"> • Raising bills relating to the Administrators' fees and disbursements as appropriate.
Strategy and planning 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.	<ul style="list-style-type: none"> • Considering and directing the overall strategy for LBL, including engagement with stakeholders and legal advisers; • Negotiating the terms of the Settlement Agreement with the administrators of LBH; • Project managing the implementation of the Settlement Agreement including the execution of documents and payment of creditors; • Oversight of the claims adjudication process and reserving for claims and other matters including provisioning for any outstanding claims and matters to a sufficient level; • Reviewing and approving legal and other third party costs and invoices; • Coordinating, directing and resourcing work stream activities; • Preparing for and reporting to the Committee at the meeting update on 13 November 2024; • Oversight of reporting and accounting, including periodic meetings to monitor progress; and • Oversight of funds management and investment strategy.
Tax and VAT 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.	<ul style="list-style-type: none"> • Preparation and submission of quarterly VAT returns; • Working with HMRC to reconcile the PAYE liability shown in HMRC's records, and provide information to support the Administrators' records; • Receipt of partial release of VAT from HMRC and subsequently reconciling and allocating VAT due to the other Lehman Group companies within the VAT group; • Preparation and submission of corporation tax return and corporate interest restriction return for the year ended 31 May 2024; • Submission of monthly RTI (Real Time Information) returns; • Compliance with various reporting obligations including tax strategy, Senior Accounting Officer and corporate criminal offence legislation; • Preparing and submitting tax returns; and • Providing tax support regarding potential future payments.

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 and contains samples of the work still to be undertaken. Due to the complexities and uncertainties regarding certain work streams, estimated costs have not been provided with our summary below. Costs will be reported to and approved by the LBH creditors' committee prior to the closure of LBL.

Category	Description of tasks
Accounting and treasury	<ul style="list-style-type: none"> Investment, monitoring and control of LBL's free cash resources, including ensuring cash held at best rates, only in approved banks and subject to frequently reviewed limits; Adherence to the UK and US FATCA (Foreign Account Tax Compliance Act) and CRS (Common Reporting Standard); Processing of general day to day payments and receipts; Facilitating payments of catch-up and reissued dividends and future dividends'; and Closing bank accounts.
Employee and creditor claims	<ul style="list-style-type: none"> Finalising the payment to the Insolvency Service in respect of the remaining unclaimed dividends.
Intercompany	<ul style="list-style-type: none"> Assignment of remaining intercompany balances to LBH.
Statutory and other compliance	<ul style="list-style-type: none"> Preparing and issuing of further progress reports to creditors; Six monthly review of case progress; and Other statutory filings at Companies House and Court.
Closure	<ul style="list-style-type: none"> Seeking various clearances from third parties; Applying to Court with regard to Administrators' discharge from liability; Preparing the Administrators' final progress report; Paying any unclaimed creditor balances into the Insolvency Services Account; Final review; and Closure of internal systems.
Strategy and planning	<ul style="list-style-type: none"> Considering and directing the overall strategy for LBL, including reviewing options and strategy for potential returns of equity to LBH as shareholder; Progressing and finalising exit strategy; Preparation of and reporting to the LBH creditors' committee on a periodic basis; and Oversight of reporting and accounting, including periodic meetings to monitor progress.
Tax and VAT	<ul style="list-style-type: none"> Providing tax support to discuss approach and potential methodologies to accelerate repayments of cash to creditors; Provision of information to LBH to allow the preparation and submission of VAT returns; Finalising PAYE reconciliation with HMRC to release final VAT held back by HMRC; 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 Compliance with various reporting obligations including tax strategy and corporate criminal offence legislation.

Appendix D: Other information

Court details for the administration:	High Court of Justice, Chancery Division, Companies Court - Court Case 7945 of 2008
Company's registered name:	Lehman Brothers Limited
Trading name:	Lehman Brothers Limited
Registered number:	00846922
Registered address:	7 More London Riverside, London, SE1 2RT, United Kingdom
Date of the administration appointment:	15 September 2008
Joint Administrators' names, addresses and contact details:	<p>Zelf Hussain, Gillian Eleanor Bruce, Edward John Macnamara and David James Kelly of PricewaterhouseCoopers LLP of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT</p> <p>Email: uk_ibl_enquiries@pwc.com</p>
Changes in Administrator:	<p>Derek Anthony Howell was appointed as an additional Joint Administrator on 30 November 2009.</p> <p>Julian Guy Parr replaced Derek Anthony Howell as a Joint Administrator on 22 March 2013.</p> <p>Zelf Hussain replaced Dan Yoram Schwarzman as a Joint Administrator on 1 June 2016, on which day Anthony Victor Lomas, Steven Anthony Pearson and Julian Guy Parr also ceased to act as Joint Administrators.</p> <p>Gillian Eleanor Bruce, Edward John Macnamara and Russell Downs were appointed as additional Joint Administrators on 26 July 2018.</p> <p>David James Kelly replaced Russell Downs as a Joint Administrator on 30 November 2021.</p> <p>Michael John Andrew Jervis passed away on 4 January 2023 and therefore ceased to act.</p>
Current membership of the Creditors' Committee:	<p>LB Holdings Intermediate 2 Limited - in administration</p> <p>Lehman Brothers Holdings Inc.</p>
Extensions to the initial period of appointment:	<p>The Court has granted seven successive extensions to the administration to: 30 November 2011; 30 November 2013; 30 November 2014; 30 November 2016; 30 November 2020; and 30 November 2022 and 30 November 2025.</p>