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# ***Lehman Commercial Mortgage Conduit Limited – In Administration***

Joint Administrators' progress  
report for the period 30 April to 29  
October 2017

29 November 2017

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# ***Section 1 Purpose of the Joint Administrators' progress report***

## ***Introduction***

This is the 18th progress report prepared by the Joint Administrators (the "Administrators") of Lehman Commercial Mortgage Conduit Limited ("LCMC" or the "Company").

This report provides an update on the work that the Administrators have undertaken and the progress made since their appointment, with particular focus on the progress made in the six months to 29 October 2017 (the "reporting period").

## ***Objectives of the Administration***

The Administrators initially operated a holding strategy for the loan portfolio and have pursued the objective of achieving a better result for the creditors of LCMC as a whole than would be likely if LCMC were wound up (without first being in Administration).

The specific aims of this Administration were to:

- Protect and control the Company's assets, namely its portfolio of commercial mortgages;
- Identify future cash flows and secure payments for the benefit of the Company; and
- Maximise value for the Company at the time of sale or transfer of the assets.

## ***Outcome for creditors***

On 24 June 2013, the Court granted the Administrators permission to make distributions to its unsecured creditors.

When the Administrators last reported, they had declared and paid six interim dividends on admitted unsecured creditor claims totalling £241.5m. On 11 September 2017, £10.3m was distributed by way of a seventh interim distribution of 4.260p in the £.

As a result, £224m has now been distributed to the Company's unsecured creditors, equating to a cumulative dividend of 92.59p in the pound.

The Administrators expect to be able to declare an eighth interim distribution in early 2018, although the precise timing and quantum are uncertain.

## ***Extension to the Administration***

The Administration was due to expire on 30 November 2017. Shortly before the end of the reporting period, the Administrators made an application to Court to request a further extension in order to continue to pursue the objective of the Administration and realise the remaining assets. Following this application, shortly after the reporting period an Order was granted by the Court extending the Administrators' term of office to 30 November 2018.

## ***Future reports***

The Administrators' next progress report to creditors will be sent in approximately six months.

Signed:



GE Bruce  
Joint Administrator  
Lehman Commercial Mortgage Conduit Limited

*DA Howell, AV Lomas, SA Pearson, GE Bruce and JG Parr were appointed as Joint Administrators of Lehman Commercial Mortgage Conduit Limited to manage its affairs, business and property as agents without personal liability. DA Howell, AV Lomas, SA Pearson, GE Bruce and JG Parr 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 are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Administration.*

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## ***Section 2 Joint Administrators' actions to date***

### ***Overview***

At the date of the Administrators' appointment, LCMC was a subsidiary of LB SF No.1 ("LBSF1"). LCMC's assets comprised:

- the remainder of a portfolio of loans purchased, before the Administration, from Northern Rock with funding from LBSF1;
- intercompany claims; and
- an interest in a securitisation special purpose vehicle known as "Diversity".

All but 20 of the loans purchased from Northern Rock were securitised into Diversity.

### ***Administrators' actions to date***

#### ***Loan portfolio***

As outlined in earlier reports, of the 20 loans which were not securitised, it transpired that LCMC had no title to three of them. Since appointment, seven loans have been repaid in full. A further ten have either been enforced or settled.

In the reporting period, the Administrators recovered £100k in respect of the final remaining non-performing loan. Loan collections are now complete.

#### ***Bank interest received***

As previously advised, to optimise realisations for creditors and to minimise risk, a substantial proportion of the funds managed by the Administrators had been placed on the money markets prior to payment of the seventh distribution to unsecured creditors. In the six months to 29 October 2017, bank interest of £12.5k has been received, of which c.£11.8k has been generated from funds held on money markets.

#### ***Intercompany debtors***

As outlined in prior reports, on 24 October 2011 the Company, acting by its Administrators, (in conjunction with other affiliates) entered into a settlement agreement with Lehman Brothers Holdings Inc. ("LBHI") and certain other affiliates previously subject to Chapter 11 proceedings in the USA in respect of intercompany claims.

The Plans of Reorganisation became effective on 6 March 2012 following approval from the US court. Pursuant to this settlement agreement, LCMC's

guarantee claim against LBHI was agreed at \$8.3m and its claim against Lehman Commercial Paper Inc. ("LCPI") was adjudicated at \$102m.

On 6 April 2017, LCMC received a 13th distribution from LBHI and LCPI of \$57k and \$2.8m respectively.

To date, LCMC has received \$2.8m from LBHI and \$71.7m from LCPI.

Further distributions from LBHI and LCPI are expected on a six monthly basis.

### ***Corporation tax***

The tax return for the 2016 period end has been submitted and the enquiry window will close on 29 October 2018. The company currently has c.£2.4m credit with HM Revenue & Customs ("HMRC"), which will cover any tax liability that may accrue for future tax years.

The taxable profits in respect of 2015 have been covered by group losses and a loss carryback claim from the 2016 tax return. In respect of the group losses claimed by LCMC, the Company will be required to make a payment of £363,887, representing 50% of the tax saving as per prior years.

The enquiry windows for 2015 and earlier periods are now closed.

### ***Finance (No. 2) Act 2017***

The Finance (No.2) Act 2017 which received Royal Assent on 16 November 2017 included legislation in respect of changes to the use of corporation tax loss relief that applies from April 2017. In summary the main changes to the loss relief rules are:

- (i) Companies will only be able to use losses carried forward against up to 50% of their profits above £5m (this is a group cap); and
- (ii) The current streaming rules in relation to the use of losses will be amended to allow losses arising on or after 1 April 2017 to be usable, when carried forward, against profits from other income streams (i.e. carried forward trading losses may be used against non-trading profits) and, profits of other group companies (i.e. carried-forward losses may be claimed/surrendered as group relief).

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As a result of these reforms, companies with significant brought forward tax losses may potentially become tax paying entities and sooner than previously forecast. The Administrators will provide further commentary on the implications of corporation tax reforms in future reports as and when there is more clarity on the implications for the company.

### ***Investigations and actions***

Nothing has come to the Administrators' attention in the course of the Administration or during the reporting period to suggest that any further work is required in accordance with the Administrators' duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice 2.

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## Section 3 Statutory and other information

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*Court details for the Administration:* High Court of Justice, Chancery Division, Companies Court - case 9635 of 2008

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*Full name:* Lehman Commercial Mortgage Conduit Limited

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*Trading name:* Lehman Commercial Mortgage Conduit Limited

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*Registered number:* 06221756

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*Registered address:* 7 More London Riverside, London, SE1 2RT

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*Date of the Administration appointment:* 30 October 2008

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*Current Administrators' names and addresses:* DA Howell, SA Pearson, AV Lomas, GE Bruce and JG Parr of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT

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*Appointer's/applicants name and address:* The director of the Company, 7 More London Riverside, London, SE1 2RT

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*Objective being pursued by the Administrators:* Achieving a better result for LCMC's creditors as a whole than would be likely if LCMC were wound up (without first being in Administration).

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*Division of the Administrators' responsibilities:* In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the Administration is in force, any act required or authorised under any enactment to be done by either or all of the Joint Administrators, may be done by any or one or more of the Joint Administrators.

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*Details of any extensions of the initial period of appointment:* The High Court of Justice has granted five successive extensions to the Administration period to: 30 November 2010; 30 November 2011; 30 November 2013; 30 November 2015; 30 November 2017; and 30 November 2018.

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## Section 4 Financial information

### ***Receipts and payments account***

An account of the receipts and payments for the six months to 29 October 2017 and a cumulative total since commencement of the Administration is set out in Section 5.

The key movements in the reporting period are set out below:

- Recoveries on the loan portfolio of c.£100k;
- Debtor receipts of c.\$2.8m;
- Seventh interim dividend of c.£10.3m paid to unsecured creditors; and
- Administrators' fees of c.£148k.

### ***Administrators' expenses***

Creditors may recall from earlier reports that Statement of Insolvency Practice number 9 ("SIP9"), issued by the Institute of Chartered Accountants in England and Wales, was revised with effect from 1 December 2015. SIP9 details the disclosure standards required by insolvency office holders in respect of fees, expenses and payments to associates. The revised requirements apply to all open insolvency cases.

Accordingly, set out in Section 6 is a statement of expenses incurred by the Administrators since their appointment, together with an estimate of future expenses.

### ***Administrators' remuneration***

In January 2009, the Administrators requested and received approval from LCMC's creditors for the Administrators' remuneration to be fixed by reference to the time properly given by them and the various grades of their staff. The Administrators were also authorised to draw their remuneration from time to time.

In accordance with SIP9, the following information has been provided in Section 7:

(i) an analysis of the Administrators' time costs for the period 1 April to 30 September 2017, including the cumulative total time costs from the date of the Administrators' appointment; and

(ii) a summary of the Administrators' time costs for the period 1 April to 30 September 2017, including the key categories of work, details of the work undertaken, an explanation of why the work was

necessary and whether or not the work was of financial benefit to the creditors or if it was required by statute.

In line with the creditors' approval, as at 29 October 2017, the Administrators have drawn total remuneration of £3.1m plus VAT in respect of time costs incurred to 31 May 2017.

Time costs for the six months to 30 September 2017 total c.£164k plus VAT, which represents 459 hours at an average hourly rate of £357.

### ***Disbursements***

The Administrators are not required to seek approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same party who approves the Administrators' fees.

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

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

The Administrators incurred Category 1 disbursements of £12 in the six months from 30 April 2017. These have not yet been paid. No Category 2 disbursements were incurred or paid during the six months to 29 October 2017.

### ***Creditors' rights***

Creditors have the right to ask for information and challenge an administrator's fees if they believe that they are too high. You can find an explanatory note online at:

<http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/a%20creditors%20guide%20to%20administrators%20fees%20010407.ashx>

Creditors can request a paper copy of the above guide by contacting [Lehman.affiliates@uk.pwc.com](mailto:Lehman.affiliates@uk.pwc.com).

# Section 5 Receipts and payments account

	GBP			USD		
	As at 29/10/2017	Movements in Period	As at 29/04/2017	As at 29/10/2017	Movements in Period	As at 29/04/2017
<b>Receipts</b>						
Cash at bank on appointment	14,078,043	-	14,078,043	-	-	-
Residual Interests - Diversity	26,097,872	-	26,097,872	-	-	-
Recoveries on loan portfolio and other assets	152,580,394	100,000	152,480,394	-	-	-
Sale of tax losses	234,476	-	234,476	-	-	-
Dividend from LBHI	-	-	-	2,792,840	56,940	2,735,900
Dividend from LCPI	-	-	-	71,726,858	2,762,816	68,964,042
Net tax function costs recharged	1,298	-	1,298	-	-	-
Bank interest	2,284,906	12,360	2,272,546	338	144	194
Contribution towards legal costs	379,885	-	379,885	-	-	-
Third party funds	10,119	-	10,119	-	-	-
<b>Total receipts</b>	<b>195,666,993</b>	<b>112,360</b>	<b>195,554,633</b>	<b>74,520,036</b>	<b>2,819,900</b>	<b>71,700,136</b>
<b>Payments</b>						
Joint Administrators' remuneration (see note 1)	3,111,543	148,177	2,963,366	-	-	-
Joint Administrators' Category 1 disbursements	13,393	-	13,393	-	-	-
Professional Fees	23,370	-	23,370	-	-	-
Loan portfolio servicing fees	618,804	-	618,804	-	-	-
Pension related legal costs	25,570	-	25,570	-	-	-
Legal fees and disbursements	3,037,384	9,773	3,027,611	-	-	-
Employee costs	3,326,451	-	3,326,451	-	-	-
IT costs	6,689	-	6,689	-	-	-
Statutory costs	60,459	8,583	51,876	-	-	-
Corporation tax	3,986,960	-	3,986,960	-	-	-
Bank charges	722	-	722	1,522	170	1,352
Insurance	17,128	-	17,128	-	-	-
Release of funds	121,000	-	121,000	-	-	-
Irrecoverable VAT (see note 2)	1,568,599	34,646	1,533,953	-	-	-
<b>Total payments</b>	<b>15,918,072</b>	<b>201,179</b>	<b>15,716,893</b>	<b>1,522</b>	<b>170</b>	<b>1,352</b>
<b>Intracompany transfer</b>						
Payment	-	-	-	(74,027,514)	(2,819,730)	(71,207,784)
Receipt	47,406,121	2,144,391	45,261,730	-	-	-
<b>Total receipts less total payments</b>	<b>227,155,042</b>	<b>2,055,572</b>	<b>225,099,470</b>	<b>491,000</b>	<b>-</b>	<b>491,000</b>
<b>Less distributions made:-</b>						
1st dividend to unsecured creditors of 45p in the £, declared 2 Sep 2013	(108,838,719)	-	(108,838,719)	-	-	-
2nd dividend to unsecured creditors of 29.05p in the £, declared 2 Sep 2014	(70,021,985)	-	(70,021,985)	-	-	-
3rd dividend to unsecured creditors of 4.63p in the £, declared 9 Dec 2014	(11,183,322)	-	(11,183,322)	-	-	-
4th dividend to unsecured creditors of 0.415p in the £, declared in 2 Sep 2015	(1,002,393)	-	(1,002,393)	-	-	-
5th dividend to unsecured creditors of 6.57p in the £, declared 9 Sep 2016	(15,500,831)	-	(15,500,831)	(490,000)	-	(490,000)
6th dividend to unsecured creditors of 2.67p in the £, declared 15 Mar 2017	(6,449,875)	-	(6,449,875)	-	-	-
7th dividend to unsecured creditors of 4.260p in the £, declared 11 Sep 2017	(10,290,495)	(10,290,495)	-	-	-	-
<b>Cash in hand / movement in period</b>	<b>3,867,422</b>	<b>(8,234,923)</b>	<b>12,102,345</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>
<b>Cash balances</b>						
HSBC	3,867,422	1,768,008	2,099,414	1,000	-	1,000
Money market deposits (note 3)	-	(10,002,931)	10,002,931	-	-	-
<b>Total cash (see note 4)</b>	<b>3,867,422</b>	<b>(8,234,923)</b>	<b>12,102,345</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>

## Notes:

- (1) The Joint Administrators have drawn £148,177 + VAT in respect of costs incurred between 1 December 2016 and 31 May 2017.
- (2) Due to the nature of the Company's former business, it is not entitled to recover input VAT on its costs.
- (3) Funds were invested on the money markets in order to accrue interest and to manage risk.
- (4) The total GBP equivalent cash in hand at the exchange rate on 27 October 2017 is £3,868,185
- (5) All of the Company's assets are uncharged, there being no secured creditors.
- (6) The estimated to realise values of assets shown in the directors' statement of affairs do not represent a meaningful comparison with the current position and are therefore excluded.



## Section 6 Expenses

The information in the following table provides details of the Administrators' expenses. Expenses are defined as amounts payable by the Administrators from the estate, they include the Administrators' fees but exclude distributions to creditors. The table also excludes any potential tax liabilities that may be payable as an Administration expense, as any final amounts that may become due are dependent on the position at the end of the tax accounting period and the impact of any tax reform.

The table should be read in conjunction with the receipts and payments account in Section 5, which shows expenses actually paid during the period and the total paid to date.

In estimating future expenses, assumptions have been made relevant to the annual run rate and expiry of the Administration, where appropriate.

	Brought forward from preceding period £m	Paid in the period £m	Cumulative £m	Incurred and not paid £m	Estimated future £m*	Anticipated total £m
Legal fees and disbursements	3.0	-	3.0	0.1	0.2	3.3
Administrators' remuneration and disbursements	3.0	0.1	3.1	0.1	0.4	3.6
Employee costs	3.3	-	3.3	-	0.4	3.7
Loan portfolio servicing fees	0.6	-	0.6	-	-	0.6
Irrecoverable VAT	1.5	-	1.5	-	0.1	1.6
Other	0.3	-	0.3	-	-	0.3
<b>Total</b>	<b>11.7</b>	<b>0.1</b>	<b>11.8</b>	<b>0.2</b>	<b>1.1</b>	<b>13.1</b>

Sums have been rounded to the nearest £0.1m.

\*Certain classes of future costs are subject to material uncertainty, which prevent the Administrators from providing a meaningful estimate of future costs at this time. However, the Administrators have made reserves in respect of their professional fees and legal costs, which are indicated above.

## Section 7 Joint Administrators' time costs

Classification of work	Partner/Director		Senior Manager/Manager		Senior Associate		Associate/Support Staff		Total	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
Accounting and Treasury	0.35	287	15.80	7,195	14.80	4,515	30.75	7,405	61.70	19,402
Strategy and Planning	21.75	17,571	52.05	23,934	58.50	16,177	34.25	8,126	166.55	65,808
Statutory and Other Compliance	0.55	475	25.05	11,572	38.25	10,681	64.70	15,283	128.55	38,011
Creditors	0.50	410	12.05	5,855	31.00	9,084	2.25	549	45.80	15,898
Tax and VAT	5.30	5,713	13.80	8,525	16.85	6,156	20.65	4,443	56.60	24,837
<b>Total for the period 1 April to 30 September 2017</b>	<b>28.45</b>	<b>24,456</b>	<b>118.75</b>	<b>57,081</b>	<b>159.40</b>	<b>46,613</b>	<b>152.60</b>	<b>35,806</b>	<b>459.20</b>	<b>163,956</b>
<b>Average hourly rate for the six month period to 30 September 2017</b>										<b>357</b>
<b>Cumulative total to 30 September 2017</b>										<b>3,219,900</b>

Current charge out rates	Business Recovery Services		Specialist	Specialist
	Max £/hr	Max £/hr	Max £/hr	Max £/hr
Grade	From 1 July 2015	From 1 July 2017	From 1 July 2015	From 1 July 2017
Partner	899	935	1,262	1,312
Director	788	820	1,108	1,152
Senior Manager	527	548	932	969
Manager	444	462	680	707
Senior Associate	371	386	505	525
Associate/Support Staff	236	245	235	244

The Administrators' remuneration has been fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration. The minimum unit for time charged by the Administrators and their staff is 0.05 of an hour.

Specialist departments within PricewaterhouseCoopers LLP, such as Tax, VAT and Pensions, do sometimes charge a number of hours, should we require their expert advice. Their rates do vary, however, the figures shown give an indication of the maximum rate per hour.

Charge-out rates were held unchanged from 1 July 2012 to 30 June 2015. An increase of 3% in charge-out rates was effective from 1 July 2015 to 30 June 2017. An increase of 4% in charge-out rates is effective from 1 July 2017, and in line with other Group affiliates controlled by PricewaterhouseCoopers LLP's office holders, this approach is also used for LCMC.

Notes:

- (i) The cumulative total refers to the time costs incurred to 30 September 2017, of which £3,111,543 has been drawn as fees.

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# ***Summary of the Joint Administrators' time costs for the six months ended 31 March 2017***

## **Accounting and treasury - £19,402**

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. In the reporting period, interest of c.£12.5k has been generated.

- Provision of information for the purposes of statutory reporting;
- Analysis of interest rates available with counterparties;
- Active management of investments on the money market, and mitigating risk on such investments;
- Due consideration of best strategy for dealing with investments;
- Arrangement of receipts and payments of funds and coding of movements;
- Verifying creditor payment details and processing seventh dividend payments;
- Monitoring flow of funds into the bank accounts; and
- Daily monitoring of the funds held, coordinating with case team to ensure that the optimal level of funds are held on deposit.

## **Strategy and planning - £65,808**

The Administrators and their staff have invested a large proportion of their time in the planning and delivery of their strategy and have made significant progress in the reporting period towards the resolution of the key outstanding matters. The Administrators consider that their actions support their objective of achieving a better result for LCMC's creditors as a whole than would be likely if LCMC were wound up (without first being in Administration).

- Review of the strategy for the Administration in relation to various matters, regular team meetings to consider case progression;
- Review and maintenance of financial information;
- Monitoring loan portfolio performance and making strategic decisions on loan enforcement;
- Liaison with loan servicer;
- Finalising debt collection strategy; and
- Liaison with specialist teams.

## **Statutory and other compliance - £38,011**

The following tasks were undertaken in accordance with the Administrators' statutory obligations or internal compliance.

- Preparation of the Administrators' 17th progress report including implementation, insofar as practicable, of the revised SIP9 requirements;
- Preparation of application to court to extend the Administration, including liaison with legal team;
- Circulating progress report to creditors and updating the dedicated LCMC website with the progress report;
- Statutory filings at Companies House and Court;
- Preparation of Administrators' time costs for billing purposes;
- Preparation of receipts and payments account for report to creditors;
- Preparation of detailed remuneration summary;
- Undertaking a six monthly case review of the Administration;
- Maintaining case files and the Administration database.

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## **Creditors - £15,898**

The following tasks were undertaken in order to distribute the Company's assets to its creditors.

- Updating the estimated outcome statement;
- Preparing and advertising the notice of intended dividend for the seventh interim distribution; and
- Calculating and declared the seventh interim dividend to unsecured creditors.

## **Tax and VAT - £24,837**

The following tasks were undertaken for VAT and tax compliance purposes.

- Preparation and submission of the corporation tax return for the year ending 2016;
- Preparation and submission of the group relief claim for 2015;
- Finalising the VAT reconciliations for the 2014, 2015 and 2016 VAT returns and disclosing the necessary adjustment to HMRC; and
- Preparation and submission of VAT returns.

## ***Section 8 Estimated future work and other matters***

LCMC's principal remaining assets are its admitted unsecured claims against LCPI and LBHI of c.\$102m and c.\$8.3m respectively.

The Administrators estimate that their future time costs and disbursements to complete the Administration will be circa £0.4m, broadly analysed as follows:

	£m
Accounting and treasury	0.05
Strategy and planning	0.15
Statutory and other compliance	0.15
Tax and VAT	<u>0.05</u>
	0.40

The nature of the work and benefit for creditors and / or whether it needs to be undertaken for statutory or regulatory reasons will be as outlined in Section 7 in regard to activity for the six months to 30 September 2017. During the next sixth months, the Administrators will be considering various strategies to achieve closure.

### ***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.

### ***Details of subcontracted work***

Certain centralised services are undertaken on behalf of LCMC by employees retained by Lehman Brothers International (Europe) and LB SF Warehouse Limited; these include the provision of certain tax and VAT services and key staff resource. The costs of such services are recharged to LCMC. No costs were paid in relation to these services in the reporting period. Prior costs are shown as employee costs in the receipts and payments account in Section 5.

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of recharge</b>
Tax Services	<i>LBIE</i>	<i>Prior/Industry knowledge</i>	<i>Time costs</i>
Loan Portfolio Management	<i>LB SF Warehouse Limited</i>	<i>Prior/Industry knowledge</i>	<i>Time costs</i>

### ***Legal and other professional firms***

The Administrators have instructed the following professionals on this case. The selection of individual legal firms is determined by the jurisdiction and nature of the advice being sought, and whether a conflict exists.

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>
Legal services:	<i>Linklaters LLP</i>	<i>Industry knowledge</i>	<i>Time costs</i>
	<i>Dentons UKMEA LLP</i>	<i>Industry knowledge</i>	<i>Time costs</i>
	<i>Pinsent Masons LLP</i>	<i>Industry knowledge</i>	<i>Fixed</i>
	<i>Eversheds Sutherland (International) LLP</i>	<i>Industry knowledge</i>	<i>Time costs</i>

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 and professional costs is appropriate.