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# ***Lehman Brothers UK Holdings Limited – In Administration***

*Joint Administrators' combined progress report for  
the period 29 March to 28 September 2017 and final  
progress report for the period 29 September to 24  
October 2017*

24 October 2017

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

## **Introduction**

The Joint Administrators (the "Administrators") are pleased to provide their combined 18<sup>th</sup> and final progress reports on the Administration of Lehman Brothers UK Holdings Limited ("LBUKH" or the "Company").

The Administrators are required to provide a summary of their proposals, which is shown in Section 3. The Administrators are also required to provide certain statutory information which is shown in Section 4.

This report provides a summary of the steps taken during the Administration and the outcome for creditors.

## **Objective of the Administration**

The Administrators have pursued the objective of achieving a better result for LBUKH's creditors as a whole, than would be likely if the Company were wound up (without first being in Administration).

The specific aim of this Administration was to protect and control any return on the Company's investments in subsidiaries and intercompany book debts for the benefit of creditors.

The Administrators consider that the objective of the Administration was achieved.

## **Outcome for creditors**

On 2 May 2014, the Court granted the Administrators permission to make distributions to LBUKH's ordinary, unsecured, non-preferential creditors.

### **(i) Ordinary, unsecured, non-preferential creditors**

On 4 September 2014, the Administrators distributed 100 pence in the £ to LBUKH's unsecured creditors in full and final settlement of their claims. Creditors waived their right to receive future distributions.

### **(ii) Subordinated creditor**

Following our previous report, the sole subordinated creditor, Lehman Brothers UK Holdings (Delaware) Inc. ("Delaware") assigned its claim to Lehman Brothers Holdings Inc. ("LBHI").

On 11 September 2017, the Administrators declared and paid a fifth and final distribution of £18.5k, equivalent to 0.002p in the £. No further distributions will be paid.

The Administrators have declared and paid five dividends to LBUKH's subordinated creditor in respect of its admitted claim of £1.05bn, equivalent to 10.5946p in the £.

Further detail relating to the distributions is provided in Section 2.

## **Changes in Administrator during court of Administration**

Following an application to the High Court of Justice, an Order was made on 22 March 2013 that GE Bruce and JG Parr be appointed Joint Administrators and that DY Schwarzmann and MJA Jervis cease to be Joint Administrators of the Company. There being no applications to Court to vary or discharge the Order, MJA Jervis and DY Schwarzmann were released from liability.

## **Exit route from Administration**

In accordance with Paragraph 84, Schedule B1 to the Insolvency Act 1986 ("IA86") and the approved Administrators' Proposals, we will now file notice to move LBUKH from Administration to Dissolution with the Registrar of Companies. The Company will be dissolved three months after registration of the notice.

## **Discharge**

On 16 December 2016, the High Court of Justice granted the Administrators' application for each of the Administrators presently in office to be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 IA86 in respect of any action of theirs 28 days after they cease to act.

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Signed



GE Bruce  
Joint Administrator  
Lehman Brothers UK Holdings Limited

*AV Lomas, SA Pearson, DA Howell, GE Bruce and JG Parr were appointed as Joint Administrators of Lehman Brothers UK Holdings Limited to manage its affairs, business and property as agents without personal liability. AV Lomas, SA Pearson, DA Howell, 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***

### ***Background***

When the Administrators were appointed, LBUKH was the holding company for Lehman Brothers Holdings plc ("LBH") and Lehman Brothers (PTG) Limited, both of which are in administration. The Company principally acted to manage the flow of investment funds between these subsidiaries.

The book value of debtors at the date of Administration was \$45m.

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

The Administrators' actions during the period of the Administration have been detailed in previous progress reports. These actions are summarised below.

#### ***Inter-company debtors***

Creditors will recall that in October 2011, the Administrators entered into a settlement agreement with LBHI in conjunction with other UK affiliates and certain other affiliates previously subject to Chapter 11 proceedings in the USA. Under this agreement, LBUKH's guarantee claim against LBHI was agreed at \$608.9m and its direct claim was agreed at \$10.6k. Dividends received from LBHI totalled \$185.4m.

Distributions received from other debtors totalled £1.3m.

The Administrators assigned LBUKH's receivables to its sole remaining creditor as part of the third interim dividend. Accordingly, any future dividends from LBUKH's debtors will be paid directly to LBHI.

#### ***Distributions to the subordinated creditor***

As previously reported, in late June 2015 LBUKH and Lehman Brothers Investments Luxembourg S.a.r.l ("LBLIS"), the Company's former sole subordinated creditor, submitted a joint application seeking directions from the Court to establish how LBUKH should proceed to distribute to its subordinated creditor in light of the various loan agreements between LBUKH and LBLIS.

The Court's ruling on 13 January 2016 allowed for funds to be distributed to the Company's sole subordinated creditor.

In total, LBUKH made five distributions in respect of the admitted subordinated claim against the Company, with a cash value equivalent to £111.6m, as well as a distribution in specie of the Company's receivables.

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

Nothing has come to the Administrators' attention during the reporting period to suggest that any further work is required in accordance with their duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

#### ***Tax clearance***

The Administrators have brought all LBUKH's corporate tax returns up to date. Final tax clearance has now been obtained, HM Revenue & Customs having confirmed that it has no objection to the Administration ending and the Company being dissolved.

## **Section 3 Summary of the Joint Administrators' proposals**

The Administrators made the following proposals for achieving the purpose of Administration which were approved by the creditors on 3 December 2008. These proposals were later modified to exclude proposal (ix) by way of a meeting of creditors held by correspondence on 28 June 2013.

- i) The Administrators will continue to manage and finance the business, affairs and property from asset realisations in such manner as they consider expedient with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company had been immediately liquidated.
- ii) The Administrators may investigate and if appropriate, pursue any claims that the Company may have under the Companies Act 1985, the Companies Act 2006 or the IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
- iii) The Administrators will at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or supervisor of a company voluntary arrangement/scheme of arrangement and the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration.
- iv) The Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Schedule B1 IA86.
- v) The Administrators shall either apply to the court or seek consent from the appropriate classes of creditors for an extension should

they consider it advantageous to extend the Administration beyond the statutory duration of one year.

- vi) The Administrators may use any one or a combination of "exit route" strategies in order to bring the Administrations to an end. The Administrators wish to retain a number of the options which are available to them, including:
  - a) The Administrators may place the Companies into creditors' voluntary liquidation to distribute surplus funds to unsecured non-preferential creditors. In these circumstances, it is proposed that Anthony Victor Lomas, Michael John Andrew Jervis and Derek Anthony Howell be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either any or all of them. In accordance with Paragraph 83(7) Schedule B1 IA86 and Rule 2.117(3) of the Insolvency Rules 1986, the creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved, OR
  - b) The Administrations may apply to the Court to allow the Administrators to distribute surplus funds to unsecured non-preferential creditors. If such permission is given, the Administrations will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Schedule B1 IA86, following registration of which the Companies will be dissolved three months later. If permission is not granted the Administrators will place the Companies into creditors' voluntary liquidation or otherwise act in accordance with any Order of the Court.

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- c) If it transpires that LBUKH has no surplus funds to distribution to unsecured non-preferential creditors the Administrators will file notice under Paragraph 84(1) Schedule B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later.
- vii) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Schedule B1 IA86 in respect of any action of theirs as Administrators at a time determined by the court.
- viii) The Administrators' fees will be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to time properly given by the Administrators and the various grades of their staff according to their firm's usual charge-out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No. 9) be charged in accordance with the Administrators' firm's policy.
- ix) The primary currency for the Administrator will be US Dollars and funds will be maintained in US Dollars, (except to the extent that monies are needed to meet Administration expenses payable in other currencies). The Administrators will require creditors to submit their claims in US Dollars and dividends will be paid in US Dollars in the chose exit route from the Administration.

Note: References to the Insolvency Rules 1986 ("IR86") are from the original proposals put forward. The Insolvency (England and Wales) Rules 2016 has since replaced IR86 but the relevant Rule numbers have not been updated for the purposes of supplying a summary of the Administrators' proposals.

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## Section 4 Statutory and other Information

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*Court details for the Administration:* High Court of Justice, Chancery Division, Companies Court - case 8445 of 2008

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*Full name:* Lehman Brothers UK Holdings Limited

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*Trading name:* Lehman Brothers UK Holdings Limited

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*Registered number:* 02074637

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

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*Date of the Administration appointment:* 29 September 2008

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*Current Administrators' names and addresses:* Anthony Lomas, Steven Pearson, Derek Howell, Gillian Bruce and Guy Parr of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT.

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*Appointer's / applicant's name and address:* The original appointment of Administrators was made by the directors 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 LBUKH's creditors as a whole than would be likely if LBUKH 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 any or all of the Joint Administrators may be done by any one or more of the persons for the time being holding that office.

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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; and 30 November 2017.

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## Section 5 Financial Information

### Receipts and payments account

Provided in Sections 6 and 7 are receipts and payments accounts for:

- (i) The period 29 March to 28 September 2017 and a cumulative total since commencement of the Administration; and
- (ii) The period 29 September to 24 October 2017 and a cumulative total since commencement of the Administration.

### Administrators' remuneration

In June 2013, approval was obtained from LBUKH'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 creditors also resolved that the Administrators may draw their time costs on account from time to time.

Section 8 shows a summary of the Administrators' time costs for the period 1 March to 29 September 2017 and a narrative of the work performed. Time costs for this period total £121,783 plus VAT, comprising 351 hours at an average hourly rate of £347.

During the course of the Administration, remuneration of £1,317,060 plus VAT has been drawn in respect of time costs incurred to 29 September 2017.

### Statement of Insolvency Practice 9 ("SIP9")

SIP9 sets the disclosure standards required of an insolvency office holder in respect of fees, expenses and payments to associates. SIP9 was revised with effect from 1 December 2015 and applies to all open insolvencies.

The Administrators received written confirmation that its sole subordinated creditor did not require the Administrators to provide the additional information stipulated in the revisions to SIP9. Accordingly, the Administrators have prepared this report on this basis.

### 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, and 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 our 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.

In the reporting period, £421 of Category 1 disbursements were paid.

No Category 2 disbursements were incurred or paid during the reporting period.

### Creditors' rights

Creditors have the right to challenge the Administrators' remuneration or other expenses if they think that they are excessive. An explanatory note giving creditors a statement of their rights in relation to the Administrators' remuneration and expenses, and their rights to request further information, can be found 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, free of charge, by contacting [Lehman.affiliates@uk.pwc.com](mailto:Lehman.affiliates@uk.pwc.com)

# Section 6 Receipts and Payments Account for the period 29 March to 28 September 2017

	GBP Movements		USD Movements	
	28-Sep-17	28-Mar-17	28-Sep-17	28-Mar-17
	In Period	In Period	In Period	In Period
<b>Receipts</b>				
Dividends from LBHI			185,313,703	185,313,703
Dividends from LBH Plc	1,188,503	1,188,503	-	-
Intercompany debtors	112,117	112,117	-	-
Book debts	10,753	10,753	-	-
Recharge of tax function costs	32,886	32,886	-	-
Corporation Tax Refunds	91,405	91,405	-	-
Investments & shares	1	1	-	-
Third Party Funds (Note 1)	300	300	-	-
Interest	885,627	885,627	80	80
<b>Total Receipts</b>	<b>2,321,592</b>	<b>2,321,592</b>	<b>185,313,783</b>	<b>185,313,783</b>
<b>Payments</b>				
Legal fees	188,667	185,067	-	-
Joint Administrators' remuneration	1,248,770	1,150,595	-	-
Joint Administrators' category 1 disbursements	1,618	1,618	-	-
Joint Administrators' category 2 disbursements	20,000	20,000	-	-
Pension related legal costs	603,959	603,959	-	-
Corporation tax	85,000	85,000	-	-
Payment for tax losses	9,944	9,944	-	-
Employee costs (Note 2)	15,820	39,191	-	-
Bank charges	8	8	512	512
IT costs	5,741	5,741	-	-
Statutory Advertising	58,802	49,631	-	-
Settlement of late claiming creditor	70,000	70,000	-	-
Irrecoverable VAT (Note 3)	287,416	265,206	-	-
<b>Total Payments</b>	<b>2,595,745</b>	<b>2,485,860</b>	<b>512</b>	<b>512</b>
<b>Intracompany Transfers</b>				
Payment	-	-	(177,177,976)	(177,177,976)
Receipt	111,393,112	111,393,112	-	-
<b>Total receipts less total payments</b>	<b>111,118,939</b>	<b>(109,885)</b>	<b>111,228,844</b>	<b>8,135,295</b>
<b>Distributions</b>				
First distribution to ordinary unsecured creditors on 4 September 2014 (equivalent to 100p in the £)	5,500,000	5,500,000	-	-
First distribution to subordinated creditors on 17 February 2015 (equivalent to 0.0047 p in the £)	50,000	50,000	-	-
Second distribution to subordinated creditors on 11 April 2016 (equivalent to 7.7183p in the £)	78,980,716	78,980,716	3,266,346	3,266,346
Third distribution to subordinated creditors on 25 July 2016 (equivalent to 2.8546p in the £)	26,326,905	26,326,905	4,868,949	4,868,949
Fourth distribution to subordinated creditors on 8 February 2017 (equivalent to 0.015p in the £)	158,332	158,332	-	-
Fifth distribution to subordinated creditors on 11 September 2017 (equivalent to 0.002p in the £)	18,531	18,531	-	-
<b>Total</b>	<b>84,475</b>	<b>(128,416)</b>	<b>212,891</b>	<b>-</b>
<b>Cash Balances</b>				
HSBC	84,475	212,891	-	-
Money market deposits (Note 4)	-	-	-	-
<b>Total Cash/Movements</b>	<b>84,475</b>	<b>212,891</b>	<b>-</b>	<b>-</b>

**Notes:**

(1) A nominal distribution in favour of LBJLS was subsequently distributed to Delaware following the assignment of LBJLS's claim to Delaware.

(2) Payments relate to services provided by LBJF and LB SP Warehouse Limited (LBSHW), benefitting creditors through credit savings from the centralisation of services. The surplus balance of the prepayments made to LBSHW was returned.

(3) Due to the nature of the Company's former business, it is not entitled to recover input VAT on its costs.

(4) Funds were invested on the money markets in order to accrue interest and to manage risk.

(5) All of the Company's assets are uncharged, there being no secured creditors.

(6) The estimated total net 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 7 Receipts and Payments Account for the period 29 September to 24 October 2017

	GBP Movements in Period		USD Movements in Period	
	24-Oct-17	24-Sep-17	24-Oct-17	28-Sep-17
<b>Receipts</b>				
Dividends from LBHI	1,188,503	-	1,188,503	-
Dividends from LBH Plc	112,117	-	112,117	-
Intercompany debtors	107,533	-	107,533	-
Book debts	32,886	-	32,886	-
Recharge of tax function costs	91,405	-	91,405	-
Corporation Tax Refunds	1	-	1	-
Investments & shares	300	-	300	-
Third Party Funds (Note 1)	885,627	-	885,627	-
<b>Total Receipts</b>	<b>2,321,592</b>		<b>2,321,592</b>	<b>185,313,783</b>
<b>Payments</b>				
Legal fees	188,667	-	188,667	-
Joint Administrators' remuneration	1,317,061	68,291	1,248,770	-
Joint Administrators' category 1 disbursements	2,039	421	1,618	-
Joint Administrators' category 2 disbursements	20,000	-	20,000	-
Pension related legal costs	693,959	-	693,959	-
Corporation tax	85,000	-	85,000	-
Payment for tax losses	9,944	-	9,944	-
Employee costs (Note 2)	15,820	-	15,820	-
Bank charges	8	-	8	-
IT costs	5,741	-	5,741	512
Statutory Advertising	58,802	-	58,802	-
Settlement of late claiming creditor	70,000	-	70,000	-
Irrecoverable VAT (Note 3)	301,158	13,742	287,416	-
Other	2,021	-	2,021	-
<b>Total Payments</b>	<b>2,680,220</b>	<b>84,475</b>	<b>2,595,745</b>	<b>512</b>
<b>Intracompany Transfers</b>				
Payment	-	-	-	-
Receipt	111,393,112	-	(177,177,976)	-
<b>Total receipts less total payments</b>	<b>111,034,484</b>	<b>(84,475)</b>	<b>111,118,939</b>	<b>8,135,295</b>
<b>Distributions</b>				
First distribution to ordinary unsecured creditors on 4 September 2014 (equivalent to 100p in the £)	5,500,000	-	5,500,000	-
First distribution to subordinated creditors on 17 February 2015 (equivalent to 0.0047p in the £)	50,000	-	50,000	-
Second distribution to subordinated creditors on 11 April 2016 (equivalent to 7.7183p in the £)	78,980,716	-	78,980,716	3,266,346
Third distribution to subordinated creditors on 25 July 2016 (equivalent to 2.8546p in the £)	26,326,905	-	26,326,905	4,868,949
Fourth distribution to subordinated creditors on 8 February 2017 (equivalent to 0.015p in the £)	158,332	-	158,332	-
Fifth distribution to subordinated creditors on 11 September 2017 (equivalent to 0.002p in the £)	18,531	-	18,531	-
<b>Total</b>	<b>-</b>	<b>(84,475)</b>	<b>84,475</b>	<b>-</b>
<b>Cash Balances</b>				
ESBC	-	-	(84,475)	-
Money market deposits (Note 4)	-	-	84,475	-
<b>Total Cash/Movements</b>	<b>-</b>	<b>(84,475)</b>	<b>84,475</b>	<b>-</b>

Notes:

- (1) A nominal distribution in favour of LBHS was subsequently distributed to Dela as follows following the assignment of LBHS's claim to Delaware.
- (2) Payments relate to services provided by LBHE and LB SP Warehouse Limited, benefiting creditors through cost savings from the centralisation of services.
- (3) Due to the nature of the Company's former business, it is not entitled to recover in part VAT on its costs.
- (4) Funds were invested on the money markets in order to accrue interest and to manage risk.
- (5) All of the Company's assets are uncharged, therefore being unsecured creditors.
- (6) The estimated realisable 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 8 Joint Administrators' time costs for the period 1 March to 29 September 2017

Classification of work	Partner/Director		Senior Manager/Manager		Senior Associate		Associate/Support Staff		Total	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
Accounting and Treasury Strategy and Planning	13.40	10,832	23.20	11,029	71.20	19,611	9.95	2,372	20.85	5,029
Creditors	-	-	12.10	5,839	13.90	4,024	8.90	2,136	117.75	43,844
Statutory and Compliance	5.95	4,760	38.45	17,609	10.45	2,874	92.55	22,005	34.90	11,999
Tax and VAT	1.10	1,224	6.30	3,714	4.20	1,339	0.85	167	147.40	47,248
<b>Total for the period 1 March to 29 September 2017</b>	<b>20.45</b>	<b>16,816</b>	<b>93.10</b>	<b>44,120</b>	<b>104.35</b>	<b>29,138</b>	<b>133.10</b>	<b>31,709</b>	<b>351.00</b>	<b>121,783</b>
<b>Average hourly rate for the seven month period to 29 September 2017</b>										<b>347</b>

Current charge out rates	Grade	Business Recovery Services		Business Recovery Services		Specialist		Specialist	
		Max £/hr From 1 July 2017	Max £/hr From 1 July 2015	Max £/hr From 1 July 2017	Max £/hr From 1 July 2015	Max £/hr From 1 July 2017	Max £/hr From 1 July 2015		
Partner		935	899	1312	1,262				
Director		820	788	1152	1,108				
Senior Manager		548	527	969	932				
Manager		462	444	707	680				
Senior Associate		386	371	525	505				
Associate/Support Staff		245	236	244	235				

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 small 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 LBUKH.

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## ***Narrative of the Joint Administrators' time costs for the period 1 March 2017 to 29 September 2017***

### ***Accounting and Treasury - £12,248***

- Provision of information for the purposes of statutory reporting;
- Operation and reconciliation of bank accounts, including receipts, payments and all related accounting entries;
- Preparation of Administrators' time costs and disbursements for billing purposes;
- Verifying creditor payment details and processing fifth and final dividend; and
- Settling costs, including, but not limited to, legal fees.

### ***Strategy and Planning - £43,844***

- Considering various strategies to achieve closure;
- Review of the strategy for the Administration in relation to various matters, regular team meetings to discuss case progression;
- Review and maintenance of financial information including updating the estimated outcome statement;
- Preparation for the fifth and final dividend to the subordinated creditor; and
- Liaison with specialist teams.

### ***Creditors - £11,999***

- Liaising with LBHI in relation to a range of issues;
- Preparing and arranging statutory advertising; and
- Preparing and making a fifth and final distribution to the subordinated creditor.

### ***Statutory and Compliance - £47,248***

- Preparation of the Administrators' 17th progress report;
- Circulating progress report to creditors;
- Statutory filings at Companies House and the Court;
- Preparation of receipts and payments account for reports to creditors;
- Preparing detailed remuneration summary;
- Undertaking a six monthly case review;
- Managing information available on website; and
- Maintaining case files and the LBUKH database.

### ***Tax and VAT - £6,444***

- Dealing with tax and VAT queries; and
- Preparation and submission of VAT returns.

## Section 9 Other Matters

### **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**

No work was subcontracted out during the reporting period.

### **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>Prior/Industry knowledge</i>	<i>Time costs</i>
	<i>Dentons UKMEA LLP</i>	<i>Industry knowledge</i>	<i>Time costs</i>

All invoices from professional firms are supported by a narrative and reviewed before being approved for payment. The Administrators are satisfied that the level of legal and professional costs are appropriate.