



## TO ALL KNOWN CREDITORS OF LB RE FINANCING NO. 3 LIMITED

7 September 2016

Our ref: GEB/DMN/CS/HH

Dear Sirs

### **LB RE Financing No. 3 Limited - in Liquidation (the "Company")**

I am pleased to be able to declare a first interim dividend of 5.425 pence in the pound to all non-preferential unsecured creditors whose claims have been admitted for dividend purposes.

In accordance with Rule 11.6 of the Insolvency Rules 1986, I enclose for your attention the receipts and payments account from the commencement of the Liquidation on 1 November 2012 to 26 August 2016. This provides details of the amounts realised from the Company's assets to date and the payments made in the Liquidation.

For the avoidance of doubt, all distributions made to the Company's non-preferential unsecured creditors were in partial settlement of the principal amount of the claims of the Company's non-preferential unsecured creditors. No part of these distributions were in settlement, partial or otherwise, of the interest component of any claim.

In calculating this dividend, I have made a provision for anticipated future costs of the Liquidation.

The total amount being distributed by way of dividend in respect of admitted claims is £56,114,662.

If you have any queries, please do not hesitate to contact my colleague, Carly Scholes, on +44 (0) 020 7213 3552.

Yours faithfully

GE Bruce  
Joint Liquidator

*AV Lomas, GE Bruce and JG Parr were appointed as Joint Liquidators of LB RE Financing No. 3 Limited. The Joint Liquidators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*The Joint Liquidators 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 Liquidators 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 Liquidation.*

**PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT**  
**T: +44 (0) 20 7583 5000, F: +44 (0) 20 7212 4652, [www.pwc.co.uk](http://www.pwc.co.uk)**

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**LB RE Financing No. 3 Limited - in Liquidation**

**Notice accompanying the first interim dividend to creditors**

**The Joint Liquidators' receipts and payments account from the commencement of the Liquidation on 1 November 2012 to 26 August 2016 is attached at Appendix A**

**Further information pursuant to Rule 11.6 of the Insolvency Rules 1986**

A first interim dividend to non-preferential unsecured creditors of 5.425 pence in the pound has been declared.

A total of £56,114,662 is being paid by way of dividend. There is no prescribed part, as there is no floating charge.

The Liquidators have retained reserves in order to provide for further costs in the estate, as set out below:-

	£'000
Tax provision	6,000
Provision for professional fees	1,080
	<hr/>
	7,080

Payment will be made by a bank transfer on 7 September 2016. The Joint Liquidators are unable to estimate the likely timing or quantum of any future dividends.

## Joint Liquidators' receipts and payment account

	As at 26 Aug 2016 GBP (£)	Movement in the period GBP (£)	As at 22 Jul 2015 GBP (£)
<b>Receipts</b>			
Release of funds from the Administrators	54,918	-	54,918
Dividends from Lehman Brothers International (Europe)	1,783,695	-	1,783,695
Dividends from Storm Funding Limited	62,340,035	62,340,035	-
Bank interest	4,615	4,615	-
<b>Total receipts</b>	<b>64,183,263</b>	<b>62,344,650</b>	<b>1,838,613</b>
<b>Payments</b>			
Legal fees	59,572	46,381	13,191
Employee costs	238,788	192,449	46,339
IT costs	5,741	-	5,741
Insurance	85	85	-
Statutory advertising	7,341	7,341	-
Former Joint Administrators' final remuneration	19,761	-	19,761
Joint Liquidators' remuneration (Note 1)	527,354	258,853	268,501
Joint Liquidators' category 1 disbursements	745	599	146
Irrecoverable VAT (Note 2)	122,584	62,635	59,949
<b>Total payments</b>	<b>981,971</b>	<b>568,343</b>	<b>413,628</b>
<b>Net position</b>	<b>63,201,292</b>	<b>61,776,307</b>	<b>1,424,985</b>
<b>Cash balances</b>			
HSBC - current account (non-interest bearing)	63,201,292	61,776,307	1,424,985
<b>Total cash</b>	<b>63,201,292</b>	<b>61,776,307</b>	<b>1,424,985</b>

### Notes:

1) Joint Liquidators' remuneration paid in the reporting period covers the period from the commencement of the Liquidation to February 2016.

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