



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 0 0 8 4 6 9 2 2

Company name in full Lehman Brothers Limited

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Michael John Andrew

Surname Jervis

### 3 Administrator's address

Building name/number 7

Street More London Riverside

Post town London

County/Region

Postcode S E 1 2 R T

Country United Kingdom

### 4 Administrator's name ①

Full forename(s) Zelf

Surname Hussain

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 7

Street More London Riverside

Post town London

County/Region

Postcode S E 1 2 R T

Country United Kingdom

#### ② Other administrator

Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1	
To date	<sup>d</sup> 1	<sup>d</sup> 4	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1	

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's signature	Signature <b>X</b> <i>M G Jones</i> <b>X</b>								
Signature date	<sup>d</sup> 1	<sup>d</sup> 3	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1	

**Presenter information**

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

Contact name **Bryony Ball**

Company name **PricewaterhouseCoopers LLP**

Address **Central Square**

**29 Wellington Street**

Post town **Leeds**

County/Region **West Yorkshire**

Postcode 

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Country

DX

Telephone

**Checklist**

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

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

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

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

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# Continuation page

Name and address of insolvency practitioner

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

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

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

## 1 Appointment type

Tick to show the nature of the appointment:

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

❶ 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)

Gillian E

Surname

Bruce

## 3 Insolvency practitioner's address

Building name/number 7 More London Riverside

Street

Post town

London

County/Region

Postcode

S E 1 2 R T

Country

United Kingdom

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- REC1, REC2, REC3  
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,  
- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)	Russell
Surname	Downs

## 3 Insolvency practitioner's address

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

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- WU07, WU15  
- COM1, COM2, COM3, COM4  
- NDISC

## 2 Insolvency practitioner's name

Full forename(s)

Edward J

Surname

Macnamara

## 3 Insolvency practitioner's address

Building name/number 7 More London Riverside

Street

Post town

London

County/Region

Postcode

S E 1 2 R T

Country

United Kingdom

# Lehman Brothers Limited - In Administration

**Joint Administrators' progress report  
for the period 15 March 2021 to  
14 September 2021**

13 October 2021

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# Abbreviations and definitions

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

Abbreviation or definition	Meaning
<b>Company/LBL</b>	Lehman Brothers Limited - in administration
<b>Administrators</b>	Michael John Andrew Jervis, Zelf Hussain, Gillian Eleanor Bruce, Edward John Macnamara and Russell Downs of PricewaterhouseCoopers LLP
<b>reporting period</b>	15 March 2021 to 14 September 2021
<b>Firm/PwC</b>	PricewaterhouseCoopers LLP
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>Group</b>	The UK Lehman Brothers group of companies
<b>Committee</b>	The Creditors' Committee of the Company
<b>LBIE</b>	Lehman Brothers International (Europe) - in administration
<b>LBHI2</b>	LB Holdings Intermediate 2 Limited - in administration
<b>LBH Plc</b>	Lehman Brothers Holdings Plc - in administration
<b>LBEL</b>	Lehman Brothers Europe Limited (now dissolved)
<b>LBHI</b>	Lehman Brothers Holdings Inc.
<b>SLP3</b>	Lehman Brothers Holdings Scottish LP3
<b>Subordinated Affiliates</b>	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
<b>HMRC</b>	HM Revenue & Customs
<b>Statutory Interest</b>	Interest calculated on the amount of admitted claims in respect of the periods during which such claims were outstanding since the date of commencement of the administration to the date of full repayment, calculated as the greater of the rate payable in accordance with s.17 of the Judgments Act 1838 (currently 8% simple), and the rate applicable to the debt apart from the administration
<b>Preferential claims</b>	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
<b>SIP9</b>	Statement of Insolvency Practice No. 9

This report has been prepared by MJA Jervis, Z Hussain, GE Bruce, R Downs and EJ Macnamara 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](http://www.pwc.co.uk/lbl). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

MJA Jervis, Z Hussain, GE Bruce, R Downs and EJ Macnamara have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. The Joint Administrators 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.

# Section 1: Purpose of the Joint Administrators' Progress Report

## Introduction

This is the 26th progress report prepared by the Joint Administrators of the Company.

This report provides an update on the work the Administrators have undertaken, with particular focus on progress between 15 March 2021 and 14 September 2021.

Earlier reports can be viewed on our website at [www.pwc.co.uk/lbl](http://www.pwc.co.uk/lbl).

## Objectives of the Administration

The Administrators are pursuing the objective of achieving a better result for LBL's creditors as a whole than would be likely if LBL were wound up (without first being in administration).

The specific aims of the Administration of LBL ("the Administration") have included:

- Realise all assets of LBL, where value may exist;
- Provide ongoing employee and infrastructure support to the Group in exchange for appropriate reimbursement;
- Mitigate, so far as possible, any further liabilities against LBL by the transfer or termination of contracts; and
- Adjudicate the claims of creditors and pay distributions to creditors with admitted claims.

## Creditors' Committee

The Administrators regularly meet with the Committee to explain how key aspects of the Administration are being dealt with and to consult with the Committee on critical issues.

To date, the Administrators have held 34 meetings with the Committee, the most recent of which was held on 6 May 2021.

## Outcome for unsecured creditors

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

- a dividend of 100p in the £ to former employees with admitted preferential claims;
- two dividends totalling 100p in the £ on admitted ordinary unsecured claims;

- two dividends totalling 100p in the £ on admitted subordinated claims ranking ahead of Statutory Interest;
- an interim distribution to preferential, unsecured and subordinated creditors of 31.4% of creditors' respective entitlements to Statutory Interest; and
- an interim distribution of 33.6% to certain affiliate creditors who agreed to subordinate their remaining Statutory Interest entitlements as a result of the settlement of the Clawback litigation (the "Subordinated Affiliates").

In March 2021, a distribution representing the remainder of the respective Statutory Interest entitlements was paid to preferential and unsecured creditors whose claims have been admitted to rank for dividend (other than the Subordinated Affiliates), such that the cumulative amount paid totals 100%.

As at the end of the reporting period, the Subordinated Affiliates had received a cumulative amount of c.£291m, representing 65%.

Shortly after the end of the reporting period, a further distribution of Statutory Interest was paid to the Subordinated Affiliates, representing 12.62% of their Statutory Interest entitlements, bringing the cumulative amount paid to 77.62%.

At present the quantum and timing of any further distributions to these creditors remains to be determined for reasons discussed in Section 2.2 below.

## Why we remain in office

The Administrators remain in office to deal with the following tasks: collection of outstanding debts and Statutory Interest receivable; resolution of remaining claims; making final Statutory Interest payments to those who have not yet received their entitlement in full; compliance with tax and VAT matters; compliance with statutory tasks; and conclusion of the Administration. Further details are contained within the body of this report.

## Future reports

The Administrators will circulate their next report to creditors in approximately six months.

Signed



MJA Jervis  
Joint Administrator  
Lehman Brothers Limited

# Section 2: Joint Administrators' actions to date

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 HR, IT, property, accounting and other services for the Group in the UK and Europe, and continued to provide services to other Administration companies 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.

Key progress from 15 March 2021 to 14 September 2021 includes:

- Payment of the remainder of Statutory Interest due to unsecured creditors (other than the Subordinated Affiliates), bringing the cumulative Statutory Interest paid to 100%;
- Consideration of the effect of the Court's findings in respect of the ranking of subordinated debt in LBHI2, which may materially impact realisations in LBL's major debtor, LBH Plc, and continued engagement with other Lehman entities in relation to that litigation;
- Liaison with HMRC in relation to Lehman Group corporation tax matters and the unadjudicated balance of HMRC's unsecured claim; and
- Considering, analysing and liaising with stakeholders in relation to proposals to accelerate the closure of the estates of LBL and other entities.

## Receipts and payments account

The receipts and payments account at Section 8 shows cash held decreasing from c.£146m to c.£98m in the period. Key movements include:

- Gross payment of the remainder of Statutory Interest due to unsecured creditors - other than the Subordinated Affiliates - of c.£47m;
- Payment of Joint Administrators' fees of c.£0.8m;
- Receipt of further intercompany balances totalling c.£370k; and
- VAT of c.£150k recovered in LBL's capacity as the representative member of the VAT group.

As set out in earlier Progress Reports, all of the Company's assets are uncharged, there being no secured creditors.

The receipts and payments account 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. Given the nature of the Company's assets and ongoing realisations, the Administrators are not in a position to provide an estimate of the final outcome for the remaining affiliated creditors.

## Statement of expenses

A statement of expenses incurred in the reporting period and an estimate of future expenses is set out at Section 9.

## Investigations and actions

No matters have come to the Administrators' attention during the period under review to suggest that they need to do any further work pursuant to their duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2

# 2.1 Intercompany balances

## Overview

As set out in previous reports, the global nature of the Lehman business, with highly integrated trading and non-trading relationships across the Group, led to a complex series of intercompany positions at the date of Administration.

## Progress

As creditors may recall from earlier Progress Reports, the Waterfall III settlement provided that the final account balances between LBL and LBIE, and LBL and LBEL, were to be agreed at nil and c.£282.2m respectively (LBEL being a creditor of LBL).

The largest receivable balance was £709m due from LBH Plc to LBL. The principal amount has been paid in full, together with c.£193m of Statutory Interest. Shortly after the end of the reporting period, a further amount of c.£39m was received from LBH Plc in respect of LBL's Statutory Interest entitlement. Further receipts of Statutory Interest from LBH Plc are dependent upon the final outcome of the litigation in relation to the subordinated claims in LBHI2, as described in Section 2.2.

Other developments in the period include the receipt of £369k from Lehman Brothers ODC3 Limited (in Liquidation) (ODC3). In total, c.£13.4m has been received from ODC3, representing c.64.8% of LBL's admitted unsecured subordinated claim. No further recoveries are expected from this source.

A number of smaller recoveries totalling c.£2k, were also received during the reporting period from overseas and UK group companies.

As creditors are aware, a Plan of Reorganisation of LBHI and the other Affiliates in US Chapter 11 proceedings became effective on 6 March 2012. As a result of the settlement of the Clawback proceedings, described further in the Administrators' 25th Progress Report, there will be no further recoveries in respect of LBL's allowed claim in LBHI.

Approximately 8 other Group balances continue to be monitored and progressed where there remains a reasonable prospect of future realisations.

## 2.2 Outstanding matters

### **Subordinated claims in LBHI2**

As set out in previous progress reports and in section 2.1 of this report, LBL's largest debtor, LBH Plc, has a number of assets which it has yet to realise, the largest of which is a subordinated claim in LBHI2.

Creditors will recall that, following settlement of the Waterfall II proceedings, LBHI2 has sufficient assets to enable a distribution to its creditors with subordinated claims.

In addition to the subordinated claim of LBH, LBHI2 has another material subordinated liability to SLP3. In November 2019, the Court heard an application issued by LBHI2 for directions in relation to the ranking of the two subordinated claims. The outcome of this application will have a material impact on the quantum of distribution LBH Plc receives in respect of its subordinated claim, and consequently the quantum LBH Plc is able to distribute to its unsecured creditors, including LBL.

On 3 July 2020, the Court handed down judgment which, amongst other matters, found that LBH Plc's subordinated claim ranked senior to that of SLP3.

On 24 July 2020, the Court granted SLP3 permission to appeal this finding. The appeal hearing took place shortly after the reporting period, in the week commencing 4 October 2021. Judgment is anticipated at a later date.

Should the judgment be upheld, distributions by LBHI2 on the subordinated claim of LBH Plc will enable LBH Plc to pay in full Statutory Interest on ordinary unsecured claims in its estate, including LBL's claim. This will in turn enable further material distributions of Statutory Interest to the remaining Subordinated Affiliate creditors of LBL who have not yet received their full statutory interest entitlement.

The Administrators of LBH Plc have issued an update to the creditors of LBH Plc setting out certain possible outcomes if the judgment is upheld on appeal. The update may be of interest to LBL's creditors, but is not directly relevant to them and should accordingly be read with caution. The update may be found here:

<https://www.pwc.co.uk/services/business-restructuring/administrations/non-lbie-companies/lbh-plc-in-administration.html>

### **Potential settlements of LBL and other affiliate estates**

The Administrators have continued to explore with LBHI and other stakeholders potential mechanisms to accelerate the payment of further distributions to creditors, and closure of the estates of LBL and certain other Lehman UK entities.

## 2.3 Creditor claims and dividend prospects

### Preferential creditors

As creditors are aware from previous reports, 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.

### Interest for post-Administration periods

On 13 September 2018 an interim distribution was declared and subsequently 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 and subsequently paid to preferential and unsecured creditors (other than the Subordinated Affiliates), being the remainder of the respective entitlements such that the cumulative paid amounts to 100%, with no further amounts due. The gross cumulative amount paid amounts to £62.6m.

### Subordinated Affiliates

During the prior period, in accordance with the subordination deed, a further interim payment of Statutory Interest was declared and subsequently paid, being 33.6% of the respective entitlements.

The total of Statutory Interest paid to the Subordinated Affiliates at the end of the reporting period is c.£291m, representing a cumulative amount paid of 65%.

Shortly after the end of the reporting period, a further distribution of Statutory Interest was paid to the Subordinated Affiliates, representing 12.62% of their Statutory Interest entitlements, bringing the cumulative amount paid to 77.62%.

### 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. Work has continued to review and adjudicate the remaining claims. As at the date of the previous report, two claims totalling c.£9m remained to be formally adjudicated and that remains the position at the date of this report. One of these is the claim submitted by HMRC, discussed in more detail in section 2.4 below.

All other outstanding preferential and unsecured claims were finalised prior to the reporting period.

### Catch-up dividends

It is the Administrators' policy to make periodic 'catch-up' dividend payments to creditors when further claims are agreed or bank details provided. A catch-up dividend of c.£10m was paid during the reporting period. Future catch-up payments will be made at a time when it is economically appropriate to do so.

### Claim reserves and dividend prospects

The Administrators continue to reserve for claims not yet finally adjudicated. The quantum and timing of any further payments in respect of post-Administration interest to Subordinated Affiliates are currently uncertain and will depend on additional realisations principally from LBL's claim in LBH Plc, which is materially dependent on the ranking of subordinated debt in LBH12 (as described in section 2.2).

### Issues and priorities

The Administrators' priorities in relation to creditor claims for the next six months are to continue to review and adjudicate outstanding unsecured claims and make catch-up payments as and when it is viable to do so.

## 2.4 Tax planning and compliance

Prior to entering Administration, LBL coordinated the Group corporate tax, VAT and PAYE affairs. Since Administration, this role has diminished but LBL continues to act as representative member of the Lehman Administration Companies VAT group and coordinates the Group loss allocation for corporation tax purposes.

### Progress

Specific progress in the reporting period includes:

#### Corporation Tax

- Preparation of the year ended 31 May 2020 tax 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;
- Compliance with responsibilities under Senior Accounting Officer legislation; and
- Adherence to the UK Corporate Criminal Offence legislation and tax reporting requirements.

#### VAT

All VAT returns have been submitted up to, and including, the quarter ended August 2021; and

Since the last report to creditors, LBL has received a repayment from HMRC for the quarter ended February 2021, totalling c.£145k, of which c.£36k relates to LBL. Work has been undertaken to correspond with HMRC following a pre-repayment credibility check into the May-21 VAT return, which is currently ongoing.

#### PAYE and other employment taxes

As previously reported, LBL was the employer in relation to certain Employment Benefit Trusts ("EBTs") in respect of which a number of complex tax issues arise. An 'Offer of Settlement' was agreed with HMRC and the Trustees of the EBTs to resolve many of the issues. The Settlement was accepted by all except five of the former Lehman employees who are beneficiaries of the EBTs. It has not been possible to obtain the agreement of the remaining five former employees. Discussions continue with HMRC and the Trustees to identify a means of closing off tax and other obligations in relation to the EBTs.

Other work has included:

- Submission of monthly RTI (Real Time Information) returns;
- Correspondence with HMRC with respect to employment taxes on potential future EBT settlements; and

- Review of and correspondence with HMRC on an amount relating to employment taxes that was set off against a VAT refund received.

#### HMRC Unsecured Claim

HMRC has submitted a claim for Inheritance tax (IHT) of c.£8m arising in relation to EBTs.

The Administrators have conducted extensive searches of LBL's records and worked with the trustees of the EBTs and with IHT specialists and legal advisers to establish the relevant facts and legal analysis in this complex matter, many relevant elements of which date back to the 1990s. A detailed response has been sent to HMRC, whose reply is awaited.



# Section 3: Statutory and other information

<b>Court details for the administration:</b>	High Court of Justice, Chancery Division, Companies Court - Case 7945 of 2008
<b>Company's registered name:</b>	Lehman Brothers Limited
<b>Trading name:</b>	Lehman Brothers Limited
<b>Registered number:</b>	00846922
<b>Registered address:</b>	7 More London Riverside, London, SE1 2RT
<b>Date of the administration appointment:</b>	15 September 2008
<b>Joint administrators' names, addresses and contact details:</b>	Michael John Andrew Jervis, Zelf Hussain, Gillian Eleanor Bruce, Edward John Macnamara and Russell Downs of PricewaterhouseCoopers LLP, 7 More London Riverside, SE1 2RT. Email: uk_lbl_enquiries@pwc.com
<b>Changes in Administrator:</b>	<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>
<b>Appointer's / applicants' name and address:</b>	High Court of Justice, Chancery Division, Companies Court on the application of the directors of the Company, 25 Bank Street, London, E14 5LE.
<b>Division of the Administrators' responsibilities:</b>	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 persons for the time being holding that office.
<b>Details of any extensions of the initial period of appointment:</b>	The Court has granted six 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.
<b>Estimated dividend for unsecured creditors:</b>	<p>An Order was granted giving the Joint Administrators leave to pay distributions to (non-preferential) unsecured creditors of LBL.</p> <p>The Administrators declared and paid a first interim dividend of 1.66p in the £ to ordinary unsecured creditors on 15 December 2014, and declared on 6 September 2017 and paid shortly thereafter a second dividend of 98.34p to ordinary unsecured creditors.</p> <p>A first interim dividend of 77.44p in the £ was declared and paid to subordinated creditors ranking above Statutory Interest on 11 September 2017, and a second and final dividend of 22.56p in the £ was paid to such creditors on 14 April 2018.</p> <p>The Administrators have issued a final Notice of Intended Dividend for unsecured claims and post-Administration interest setting a last date for proving of 28 August 2018, and on 13 September 2018 declared a distribution of 31.4% of creditors' Statutory Interest entitlements. On 12 March 2021, a distribution of 33.6% of certain creditors' entitlements was paid, with the remaining creditors receiving a distribution of 68.6% on 13 April 2021.</p>
<b>Current membership of the Creditors' Committee:</b>	<p>LB Holdings Intermediate 2 Limited - in administration</p> <p>Lehman Brothers Holdings Inc.</p> <p>314 Commonwealth Avenue Inc.</p>

# Section 4: Joint Administrators' remuneration and other matters

## Background

The Creditors' Committee is responsible for agreeing the basis and quantum of the Administrators' remuneration.

## The Insolvency legislation

There are three alternative fee bases under Insolvency legislation, being either, or a combination of:

- A percentage of the value of the property with which the administrator has to deal;
- By reference to the time properly given by the administrator and his staff in attending to matters arising in the administration; and/or
- As a set amount.

Insolvency legislation also provides that in arriving at its decision on remuneration, the Committee is required to consider the following matters:

- The complexity (or otherwise) of the case;
- Any responsibility of an exceptional kind or degree which falls on the administrator;
- The effectiveness with which the administrator appears to be carrying out, or to have carried out, their duties; and
- The value and nature of the property which the administrator has to deal with.

## Statement of Insolvency Practice No. 9

In addition to Insolvency legislation, SIP9, issued by the Joint Insolvency Committee, provides guidance to insolvency practitioners in relation to the disclosure of payments to insolvency office holders and their associates.

The purpose of SIP9 is to set out the principles and key compliance standards with which insolvency practitioners are required to comply with regard to the provision of information to creditors and other interested parties who have a financial interest in the level of office holders' remuneration, disbursements and expenses paid from an insolvent estate.

In accordance with SIP9, which was revised with effect from 1 April 2021, sections 5 and 6 shows a summary of the work undertaken by the Administrators in the reporting period and, to the extent that is not prejudicial to the interests of the Company, the expected future work the Administrators are to carry out to achieve the purpose of the Administration is shown in Section 2.

Creditors have the right to ask for information and challenge the Administrators' fees if they believe that they

are too high. Creditors can find an explanatory note online at:

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>

A copy, free of charge, can be obtained from the Administrators by emailing [uk\\_lbl\\_enquiries@pwc.com](mailto:uk_lbl_enquiries@pwc.com).

## Resolutions of the Creditors' Committee

Given the fundamental uncertainties about the value of the property with which the Administrators have to deal, the Committee resolved that the Administrators' remuneration be based on the 'time properly given' basis – i.e. an hourly billing basis.

The Committee also resolved that the Administrators may draw 75% of their time costs on account to assist with the smoothing of working capital. All such costs are subject to detailed reporting to the Committee and the extent to which the Administrators can draw remuneration is subject to its approval.

## Costs incurred and approved to date

To 14 September 2021, the Administrators have drawn fees of c.£43m, including c.£1m of disbursements (exclusive of VAT) in accordance with the Committee resolution and approvals. These fees are shown in the receipts and payments account at Section 8. During the reporting period, the Administrators drew fees of c.£716k on account of their time costs.

The time cost charges incurred in the period 1 March 2021 to 31 August 2021 are c.£631k. An analysis of the total hours and cost incurred by grade of staff can be found at Section 5.

## Time charging policy and hourly rates

We and our team charge our time for the work we need to do in the Administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge required and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the Administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and is not included in the hourly

rates charged by partners or other staff members. Time is charged in six-minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We do not charge general or overhead costs.

The following table summarises the hourly rate ranges charged per hour for the grades of staff who have already worked on the Administration during the reporting period:

Grade	Min Rate (£)	Max Rate (£)
Partner	844	1,385
Director	853	1,275
Senior Manager	468	1,008
Manager	480	606
Senior Associate	120	520
Associate	99	280

## Payments to associates

In the period covered by this report, we have paid £16,272 to LBIE for costs recharged on a time cost basis in relation to tax work undertaken by LBIE's employees.

LBIE is a member of the Group, and 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.

Authorisation to pay such costs was given by the Creditors' Committee.

## Subcontractors

No work was subcontracted by the Administrators in the reporting period.

## 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.

## Legal and other professional firms

A summary of legal advisors instructed by the Administrators can be found at Section 7. The Administrators are satisfied that the level of legal and professional costs are appropriate.

## Expenses

A summary of the expenses, including disbursements, incurred by the Administrators during the period can be found at Section 9.

## Section 5: Analysis of Joint Administrators' time costs

Joint Administrators' Time Costs for the period 1 March 2021 to 31 August 2021

Reporting Category	Partner		Director		Senior Manager		Manager		Senior Associate		Associate		Total	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)
Accounting & Treasury	4	3,540	0	213	36	21,226	49	24,568	231	81,548	67	14,973	387	146,068
Employee & Creditor Claims	3	2,624			69	40,243			140	42,246	11	2,438	223	87,551
Intercompany					2	1,500					7	1,244	9	2,744
Litigation					3	1,425							3	1,425
Statutory & Compliance	3	2,829	3	2,799	17	9,640			41	13,417	6	1,178	70	29,863
Strategy & Planning	15	14,631			178	104,372	4	1,890	40	12,548	3	645	240	134,086
Tax & VAT	57	71,551	3	3,199	106	91,494	2	1,424	175	61,617	0	42	343	229,328
<b>Total</b>	<b>81</b>	<b>95,176</b>	<b>6</b>	<b>6,211</b>	<b>411</b>	<b>269,899</b>	<b>55</b>	<b>27,882</b>	<b>626</b>	<b>211,376</b>	<b>95</b>	<b>20,519</b>	<b>1,274</b>	<b>631,064</b>

## Accounting and treasury – £146,068

Work reported in this category relates to LBL's accounting and treasury activities to maximise interest receipts, manage liquidity and minimise financial risk, preserving value for creditors. Key activities include:

- Facilitating c.1,500 payments of statutory interest distribution, catch-up and reissued dividends;
- 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;
- Monitoring investment strategy and reviewing in response to changing market conditions;
- Foreign exchange transactions, on receipt of material foreign currency balances and to limit FX risks;
- 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 & 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 – £87,551

Work reported in this category relates to LBL's claim adjudication and creditor details the work has been done in preparation for a return to creditors and to ensure ease of receipts. Key activities include:

### General supplier creditor claims

- Obtaining and verifying revised bank account details from creditors;
- Updating creditor contact details when notified; and
- Paying of the final distribution of Statutory Interest to third party creditors, totalling c.1,500 payments.

### Employee claims

- Obtaining and verifying revised bank account details from employee creditors;
- Updating employee creditor contact details as notified; and
- Paying the final distribution of Statutory Interest to third party employee creditors.

See Section 2.3 for further information on the above work streams.

## Intercompany – £2,744

This work relates to the agreement of intercompany balances and collection of receivables for the benefit of creditors and increased returns to creditors. This excludes matters actually or potentially the subject of litigation. See Section 2.1 for further detail.

## Litigation – £1,425

Continued engagement with solicitors and with other Lehman entities in relation to the LBHI2 and LBH Plc subordinated debt priority application, and consideration of the effect of the judgment on the strategy of the Administration. See Sections 2.1 and 2.2 for further information.

## Statutory and compliance – £29,863

Work the Administrators undertake in order to ensure compliance with statutory and regulatory requirements. Key activities include:

- Preparing and issuing of March 2021 progress report to creditors;
- Six monthly review of case progress;
- Other statutory filings at Companies House and Court; and
- Recording, monitoring and reporting of time spent by Administration case staff.

## Strategy and planning – £134,086

This work relates to directing and coordinating the overall conduct of the Administration so that it is progressed in a timely and efficient manner for the benefit of the Company's creditors. Key activities include:

- Considering and directing the overall strategy for LBL, including engagement with stakeholders and legal advisers in particular with regard to potential mechanisms to accelerate payments to 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 held on 6 May 2021;
- Preparing for and holding an ad-hoc call with the Committee on 4 August 2021;
- Oversight of reporting and accounting, including periodic meetings to monitor progress; and

- Oversight of funds management and investment strategy.

## **Tax and VAT – £229,328**

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. Work performed includes:

- Adjudicating HMRC's pre-administration claim, primarily with respect to Inheritance Tax, arising in respect of payments made out of the Employment Benefit Trust, which is a complex element of their claim;
- Correspondence with HMRC with respect to employment taxes on future EBT settlements;
- Preparation and submission of VAT returns;
- Distribution of VAT receipt received as Representative Member to other Lehman estates and collecting VAT contributions;
- Corresponding with HMRC following a pre-repayment credibility check being carried out on the May-21 VAT return submission;
- Preparation of accounting information to support tax computations;
- Preparation of corporation tax returns;
- Submission of monthly RTI (Real Time Information) returns;
- Compliance with various reporting obligations including tax strategy, Senior Accounting Officer and corporate criminal offence legislation; and
- Providing tax support regarding potential future payments.

For further information see Section 2.4

# Section 6: Our future work

Examples of work still to be done to achieve the purpose of the Administration are shown below, due to complexities and uncertainties as to timescale and quantum of further receipts into LBL, estimated costs have not been provided with our below summary. Costs are reported to and approved by the creditors committee on a six monthly basis. This is not an exhaustive list and contains samples of the work still to be undertaken:

## Accounting and treasury

- 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, and ensuring funds are held in appropriate currencies;
- 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; and
- Facilitating payments of catch-up and reissued dividends.

## Employee and creditor claims

- Adjudication of the final creditor claims;
- Payment of further catch-up dividends and Statutory Interest; and
- Re-issue of returned dividends to creditors.

## Intercompany

Continued recovery of intercompany balances and coordination of distributions between intercompany debtor balances.

## Litigation

Continued involvement in intercompany litigation where LBL has a beneficial interest, predominantly in relation to the application to Court regarding the ranking of subordinated debt in LBHI2.

## Statutory and compliance

- Preparing and issuing of further progress reports to creditors;
- Six monthly review of case progress;
- Other statutory filings at Companies House and Court; and
- Planning and applying for further extension of the Administration as required.

## Strategy and planning

- Considering and directing the overall strategy for LBL;

- Preparation of and reporting to the Committee on a periodic basis; and
- Oversight of reporting and accounting, including periodic meetings to monitor progress.

## Tax and VAT

- Providing tax support to discuss approach and potential methodologies to accelerate repayments of cash to creditors;
- Preparation and submission of VAT returns;
- 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;
- Engagement with HMRC to agree HMRC's pre-administration claim principally in respect of employment-related taxes, including set off of corporation tax refunds due;
- Compliance with various reporting obligations including tax strategy and corporate criminal offence legislation; and
- Meetings with HMRC employment specialists.

## Closure

Preparing for and dealing with closure of the Administration and dissolution of the Company.

# Section 7: Legal and other professionals

Service provided	Name of firm / organisation	Reason selected	Basis of fees
<b>Legal services, including:</b> <ul style="list-style-type: none"> <li>• Legal input into the claims adjudication process and settlement where required</li> <li>• Advice in respect of Clawback and responses to proceedings issued by LBHI</li> <li>• Advice in respect of unclaimed dividends</li> <li>• Advice on other ad hoc matters</li> </ul>	<ul style="list-style-type: none"> <li>• Linklaters LLP</li> <li>• Davis Polk Wardell LP</li> <li>• Addleshaw Goddard LP</li> </ul>	Specialist knowledge and experience (in overseas jurisdictions, where applicable)	Time cost basis

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 have satisfied themselves that the level of legal and professional costs is appropriate.



## Section 8: Receipts & payments to 14 September 2021

Amount in millions	Notes	GBP	EUR	USD	CHF	As at	As at	Movement
						14 Sep 2021	14 Mar 2021	
Total in GBP	Total in GBP							
<b>Receipts</b>								
Contribution from third parties	1	141.9	0.6	11.3	-	149.6	149.6	-
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)		1,177.1	3.9	222.8	0.9	1,323.0	1,322.6	0.4
Tax related receipts		726.1	-	-	-	726.0	725.9	0.2
VAT received on invoices		14.1	-	-	-	14.2	14.2	-
<b>Total receipts for period</b>		<b>2,691.6</b>	<b>4.6</b>	<b>291.2</b>	<b>0.9</b>	<b>2,881.6</b>	<b>2,881.0</b>	<b>0.5</b>
<b>Payments</b>								
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)	-	(551.6)	(551.6)	(0.0)
Return of recharge surplus		(2.4)	-	-	-	(2.4)	(2.4)	-
Other costs and payments		(69.5)	(0.3)	(1.2)	-	(70.5)	(70.5)	(0.0)
Other advisors' costs		(1.3)	-	-	-	(1.3)	(1.3)	-
Legal fees		(43.2)	-	(5.2)	-	(47.2)	(47.2)	(0.0)
Administrators' fees	3	(42.6)	-	-	-	(42.7)	(41.9)	(0.8)
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		(210.6)	-	-	-	(210.6)	(210.4)	(0.1)
VAT paid on invoices		(18.2)	-	(1.4)	-	(19.1)	(19.0)	(0.2)
Intercompany transfer		(1.5)	-	-	-	(1.5)	(1.5)	-
<b>Total payments for period</b>		<b>(1,559.2)</b>	<b>(3.4)</b>	<b>(227.9)</b>	<b>-</b>	<b>(1,717.3)</b>	<b>(1,716.2)</b>	<b>(1.1)</b>

**Inter-currency transfers**

Receipts from inter-currency transfers	152.1	2.7	189.2	-	297.1	297.1	0.0
Payments from inter-currency transfers	(131.1)	(3.9)	(236.7)	(0.9)	(285.7)	(285.7)	(0.0)
<b>Net inter-currency transfers</b>	<b>21.0</b>	<b>(1.2)</b>	<b>(47.5)</b>	<b>(0.9)</b>	<b>11.4</b>	<b>11.4</b>	<b>(0.0)</b>

**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)	(674.0)	-	-	-	(674.0)	(674.0)	-
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)	-
Gross distribution to preferential, unsecured and subordinated creditors of statutory interest @ 31.4% (declared 13/09/18)	(160.7)	-	-	-	(160.7)	(160.7)	-
Gross distribution to unsecured 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)	(47.2)	-	-	-	(47.2)	-	(47.2)
<b>Total distributions</b>	<b>(1,066.6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,066.6)</b>	<b>(1,019.4)</b>	<b>(47.2)</b>
<b>Net cash position</b>	<b>86.8</b>	<b>-</b>	<b>15.8</b>	<b>-</b>	<b>109.1</b>	<b>156.8</b>	<b>(47.7)</b>

## Notes to the receipts and payments account

1. Amounts include elements of building & occupancy and payroll-related recharges.
2. Amounts include payroll costs attributable to LBL.
3. Amounts shown include Administrators' disbursements of c.£1.2m.
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	674.0
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
Gross distribution to preferential, unsecured and subordinated creditors of statutory interest at 31.4%, declared 13/09/18	160.7
Gross distribution to unsecured creditors of statutory interest at 33.6%, declared 12/03/21	146.5
Gross distribution to unsecured creditors of statutory interest at 68.6%, declared 13/04/21	47.2

5. Funds are held in interest-bearing accounts.
6. 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.
7. Figures in the table may not be perfectly cast due to rounding.
8. Brought forward amounts are as per the previous progress report. Movements in the period are converted using the Bank of England rates as at 14 September 2021:

1 GBP	: 1.3850 USD
1 GBP	: 1.1715 EUR
1 GBP	: 1.2734 CHF

Due to the effect of historic exchange rates on the brought forward amounts, the 'Total in GBP' figure 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 September 2021 was c.£98m.

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). The majority of estate funds are now held in GBP.

9. Included within "Administrators' fees" is £57,383 paid in the period in relation to 'Category 2' disbursements as approved by the Committee.
10. Included within "Payroll and employee costs" is £16,272 paid in the period in relation to payments to associates in accordance with the policy explained in Section 4.

# Section 9: Statement of Expenses

Expenses are amounts properly payable by the Administrators from the estate, but excludes our fees and distributions to creditors. These include disbursements, which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment. Expenses fall into two categories:

Expense	SIP9 definition
<b>Category 1</b>	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
<b>Category 2</b>	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

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.

Description	Cat. 1 (£)	Cat. 2 (£)
Postage costs	2,407.19	-
Printing costs	-	849.00
IT/Licence costs	546.85	-
<b>Total</b>	<b>2,954.04</b>	<b>849.00</b>

This table provides a breakdown of the Category 2 expenses that have been incurred in the reporting period by the Administrators or their associates, together with details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case. The table excludes any potential tax liabilities payable as an expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The following table provides details of the expenses incurred in the Administration. The table should be read in conjunction with the receipts and payments account at Section 8, which shows expenses paid during the period and the total paid to 14 September 2021.

R&P category	Paid in previous periods (£m)	Paid in period (£m)	Incurred in period but not paid (£m)	Cumulative (£m)	Estimated future (£m) <sup>1</sup>	Estimated total (£m)
Building and occupancy costs	219.8	-	-	219.8	-	219.8
Payroll and employee costs <sup>1</sup>	551.5	-	-	551.5	-	551.5
Return of recharge surplus	2.4	-	-	2.4	-	2.4
Other costs and payments	70.5	-	-	70.5	5.0	75.5
Other advisors' costs <sup>2</sup>	1.3	-	-	1.3	Materially uncertain	Materially uncertain
Legal fees <sup>2</sup>	49.1	0.0	-	49.1	Materially uncertain	Materially uncertain
Administrators' time costs <sup>2, 3</sup>	41.1	0.7	0.2	42.0	Materially uncertain	Materially uncertain
Administrators' disbursements <sup>2</sup>	1.2	0.1	-	1.3	Materially uncertain	Materially uncertain
<b>Total <sup>4</sup></b>	<b>936.9</b>	<b>0.8</b>	<b>0.2</b>	<b>937.9</b>	<b>Materially uncertain</b>	<b>Materially uncertain</b>

## Notes:

1. Relates only to LBL costs. No provision has been made for costs borne by LBL and recharged to other Lehman estates.
2. These costs are highly contingent on the outcome of ongoing and prospective litigation, further information on which can be found at Section 2. As a result, it is not possible to provide a meaningful estimate of the total expense.
3. The Administrators estimate that those costs not dependent (except in duration) upon the progression of issues subject to litigation and that are currently required to maintain the routine aspects of the Administration are c.£500k per annum.
4. Excludes VAT, which is partly recoverable.