



Eldon Street Holdings Limited - in Administration

Notice accompanying the second dividend to creditors

The Joint Administrators' receipts and payments account from the commencement of the Administration on 9 December 2008 to 31 August 2014 is attached at Appendix A

Further information pursuant to Rule 2.98 of the Insolvency Rules 1986

A second dividend to unsecured creditors of 5.98 pence in the pound has been declared.

A total of £27,593,887.90 is being paid by way of dividend. There is no prescribed part, as there is no floating charge.

Funds have been retained in order to provide for further costs and potential claims in the estate, including:

- A reserve for potential overhead costs of £5m;
- A provision for unadmitted unsecured creditor claims; and
- Future Administration costs.

Payment will be made by a bank transfer on 4 September 2014. The Joint Administrators are unable to estimate the likely timing or quantum of any future dividends.

Edkon Street Holdings Limited (In Administration)
Joint Administrators' receipts and payments account as at 31 August 2014

Appendix A

| | GBP | | EUR | | USD | | SEK | |
|---|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|
| | As at 31-Aug-14 | Movements In Period | As at 31-Aug-14 | Movements In Period | As at 31-Aug-14 | Movements In Period | As at 08-Jun-14 | Movements In Period |
| Receipts | | | | | | | | |
| Contribution Tax Refund | 2,210,311 | - | 2,210,311 | - | - | - | - | - |
| Contributions to the Pension Club Deal | 11,800,000 | - | 11,800,000 | - | - | - | - | - |
| Dividends from: | | | | | | | | |
| - Subsidiaries | 300,000 | - | 300,000 | - | - | - | - | - |
| - Dissolved Subsidiaries | 167,735 | - | 167,735 | - | - | - | - | - |
| - Lehman Brothers Holdings Inc | - | 198,885 | - | 198,885 | - | - | - | - |
| - LIB UK Re Holdings Limited | 1,209,507 | - | 1,010,652 | - | 136,774,316 | - | - | - |
| - Longmeate Limited | 810,241 | - | 810,241 | - | - | - | - | - |
| - Storm Funding Limited | 3,850 | - | 3,850 | - | - | - | - | - |
| Interest | 30,904 | - | 30,904 | 110 | 2,983 | - | 810,511 | 27,402 * |
| Recovery of intercompany loan | 512,400 | - | 481,496 | - | - | - | - | - |
| Sale of tax losses | 280,000 | - | 280,000 | - | - | - | - | - |
| Net tax function costs recharged | 2,752,282 | - | 2,752,282 | - | - | - | - | - |
| Net third party funds | 382,850 | - | 382,850 | - | - | - | - | - |
| Funds held on trust | 1,644 | - | 1,644 | - | - | - | - | - |
| Funds held on trust | 6,214,655 | - | 6,214,655 | - | 4,276,651 | - | 31,454,100.00 | - |
| Total Receipts | 26,645,455 | 229,759 | 26,415,666 | 110,000 | 4,579,634 | 136,774,316 | 32,264,611 | 27,402 |
| Payments | | | | | | | | |
| Bank charges | 52 | - | 52 | - | 51 | - | 82 | - |
| Consultancy fees | 11,446 | - | 11,446 | - | - | - | - | - |
| Employee costs | 335,581 | - | 300,235 | - | - | - | - | - |
| Legal fees | 403,014 | - | 17,502 | - | - | - | - | - |
| Office costs | 8,409 | - | 8,409 | - | - | - | - | - |
| Contribution to Pension Club Deal | 11,800,000 | - | 11,800,000 | - | - | - | - | - |
| Payments on behalf of Subsidiaries | 617,796 | - | 610,166 | - | 6,192 | - | - | - |
| Professional fees | 95,905 | - | 95,751 | - | - | - | - | - |
| Registrars fees | 400 | - | 400 | - | - | - | - | - |
| IT costs | 41,741 | - | 41,741 | - | - | - | - | - |
| Statutory costs | 13,203 | - | 13,203 | - | - | - | - | - |
| Insurance | 259,781 | - | 259,781 | - | - | - | - | - |
| Joint Administrators' remuneration | 1,893,093 | 106,083 | 1,787,010 | - | - | - | - | - |
| Joint Administrators' C&I disbursements | 1,161 | - | 1,161 | - | - | - | - | - |
| Joint Administrators' C&2 disbursements | 26 | - | 26 | - | - | - | - | - |
| Pension costs | 25,570 | - | 25,570 | - | - | - | - | - |
| Funds held on Trust | 1,790,002 | - | 1,790,002 | - | - | - | - | - |
| VAT | 532,333 | - | 525,257 | - | - | - | - | - |
| Total Payments | 17,796,513 | 214,542 | 17,581,971 | 6,243 | 6,243 | 82 | 264 | 264 |
| Intracompany Transfers | | | | | | | | |
| Receipts | 85,579,350 | - | 85,579,350 | - | 21,523 | - | - | - |
| Payments | (1,644) | - | (1,644) | - | (300,000) | - | (136,773,164) | - |
| Total receipts less total payments | 94,426,618 | 15,217 | 94,411,401 | 110 | 4,295,024 | 1,070 | 1,070 | 1,070 |
| Distributions | | | | | | | | |
| 1st dividend to unsecured creditors, declared in October 2013 | 55,372,350 | 958,649 | 54,413,701 | - | - | - | - | - |
| Total | 39,054,268 | (943,432) | 39,997,700 | 110 | 4,294,914 | 1,070 | 32,264,347 | 27,402 |
| Cash Balances | 1,277,990 | 425,664 | 852,326 | - | - | 1,070 | 836 | - |
| HSBC (non-interest bearing) | 33,851,645 | (1,369,096) | 34,720,741 | - | - | - | 809,411 | 782,009 |
| Money Markets | 4,424,633 | - | 4,424,633 | - | - | - | 31,454,100 | - |
| Net funds held on trust | 39,054,268 | (943,432) | 39,997,700 | 110 | 4,294,914 | 1,070 | 32,264,347 | 27,402 |
| Total Cash | 39,054,268 | (943,432) | 39,997,700 | 110 | 4,294,914 | 1,070 | 32,264,347 | 27,402 |

Total cash at 31 August 2014 based on exchange rates at 29 August 2014 was £45,247,327 of which the net sum of £10,547,709 is held on trust.

*Funds held on trust for solvent subsidiary. Interest accrued in SEK account attributable to solvent subsidiary.

Notes:

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