

AM10

Notice of administrator's progress report

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details	
Company number	0 4 1 0 8 1 6 5
Company name in full	Eldon Street Holdings Limited
→ Filling in this form Please complete in typescript or in bold black capitals.	

2 Administrator's name	
Full forename(s)	Gillian Eleanor
Surname	Bruce

3 Administrator's address	
Building name/number	PricewaterhouseCoopers LLP
Street	7 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)	Derek Anthony
Surname	Howell
① Other administrator Use this section to tell us about another administrator.	

5 Administrator's address ②	
Building name/number	PricewaterhouseCoopers LLP
Street	7 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	^d 0	^d 9	^m 1	^m 2	^y 2	^y 0	^y 1	^y 9	
To date	^d 0	^d 8	^m 0	^m 6	^y 2	^y 0	^y 2	^y 0	

7 Progress report

I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d1

^d9

^m0

^m6

^y2

^y0

^y2

^y0

AM10

Notice of administrator's progress report

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
Diane Adebowale

Company name
PricewaterhouseCoopers LLP

Address
7 More London Riverside

Post town
London

County/Region

Postcode
S E 1 2 R T

Country
United Kingdom

DX

Telephone
+ 44 (0) 20 7583 5000

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.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

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. Attach this to the relevant form. ❶
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.

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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
- LIQ2, LIQ3, 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	PricewaterhouseCoopers LLP
Street	7 More London Riverside
Post town	London
County/Region	
Postcode	S E 1 2 R T
Country	United Kingdom

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- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s) Edward John
Surname Macnamara

3 Insolvency practitioner's address

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

Eldon Street Holdings Limited – In Administration

Joint Administrators' progress
report for the period 9 December
2019 to 8 June 2020

19 June 2020

Contents

Section 1	<i>Purpose of the Joint Administrators' progress report</i>	3
Section 2	<i>Joint Administrators' actions to date</i>	4
Section 3	<i>Statutory and other information</i>	6
Section 4	<i>Financial information</i>	7
Section 5	<i>Receipts and payments account</i>	9
Section 6	<i>Expenses</i>	10
Section 7	<i>Joint Administrators' time costs</i>	11
Section 8	<i>Joint Administrators' estimate of future time costs</i>	14

Reliance on data:

We caution creditors against using data in this report as a basis for estimating the value of their claims or their likely eventual entitlement to payment.

Eldon Street Holdings Ltd, the Administrators, their firm, its members, partners, staff and advisers accept no liability to any party for any reliance placed upon this report.

Section 1 Purpose of the Joint Administrators' progress report

Introduction

This is the twenty-third progress report prepared by the Joint Administrators (the "Administrators") of Eldon Street Holdings Limited ("Eldon Street" or the "Company") prepared in accordance with Rule 18.3 of the Insolvency Rules (England and Wales) Rules 2016.

This report provides an update on the work that the Administrators have undertaken, and the progress made since their appointment, with particular focus on the progress made in the six months to 8 June 2020 (the "Reporting Period").

Objectives of the Administration

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

The specific aims of this Administration are to:

- protect and control Eldon Street's assets; and
- maximise value for Eldon Street from its real estate interests, intercompany debtors and shareholdings in Eldon Street's subsidiaries.

Outcome for creditors

Creditors may recall that on 24 June 2013, the High Court granted the Administrators permission to make distributions to the Company's unsecured creditors.

Total cash distributions of c. £208.4m have been paid to date, equating to a cumulative dividend of 46.722 pence in the pound.

The Administrators expect to make further interim cash distributions during the administration, although the exact quantum and timings remain contingent upon the outcome of the issues detailed in Section 2.

Extension to the Term of Office

The Administrators' term of office is due to expire on 30th November 2020. The Administrators intend to make an application to Court to request a further extension in order to continue to pursue the objective of the Administration and realise the remaining assets.

Future reports

The Administrators will report on progress to creditors again in approximately six months.

Signed:



GE Bruce
Joint Administrator
Eldon Street Holdings Limited

GE Bruce, DA Howell, EJ Macnamara and R Downs were appointed as Joint Administrators of Eldon Street Holdings Limited to manage its affairs, business and property as agents 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/insolvencypractitioner-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.

Section 2 Joint Administrators' actions to date

Overview

Administrators' actions to date

Details of the Administrators' steps to realise Eldon Street's key assets are set out below.

Debtor realisations

Lehman Brothers Holdings Inc. ("LBHI")

As reported previously, Eldon Street's direct claim of \$611.4 against LBHI was sold to a third party in December 2017, leaving only its admitted guarantee claim of \$28.6m outstanding. This guarantee claim is discussed in further detail below.

To date, total cumulative dividends received from LBHI in respect of both claims is \$226.7m. No distributions were received in the Reporting Period.

As explained previously, in April 2019 LBHI initiated proceedings in the United States Bankruptcy Court Southern District of New York ("NY Bankruptcy Court") ("the Clawback Proceedings") against the Company and certain other Lehman UK affiliate entities. LBHI is seeking to reclaim the \$10.2m it has paid to the Company in relation to the guarantee claim, along with pre-judgment interest at 9% per annum.

A pre-trial conference took place in July 2019 at which the parties agreed to confer on a proposed stipulation of facts and a discovery process for the case and return to the Court when necessary to do so. In its counterclaim, the Company is seeking payment by LBHI of further distributions in respect of the guarantee claim. To date, LBHI has withheld payments to Eldon Street totalling c.£167k in respect of declared distributions.

The parties to the Clawback Proceedings are continuing to liaise regarding the proposed stipulation of facts, the discovery process and other related matters. As matters stand, the Clawback Proceedings are expected to proceed to hearing during the course of 2020, but no hearing dates have been set as yet.

The UK affiliates impacted by this issue have agreed to share the costs of defending this litigation, but the quantum of these costs, and the extent of Eldon Street's contribution towards them, remains unknown.

Lehman Brothers Holdings Plc ("LBH")

Eldon Street has an admitted claim against LBH of £31.3m, which has been paid in full. In addition, to date £0.8m has been received towards Eldon Street's entitlement to post-administration, statutory interest on that claim. Eldon Street received no distributions from LBH in the Reporting Period.

Further distributions from LBH remain contingent upon the matters described in our progress report dated 7 January 2020. In summary, they depend upon further recoveries LBH is able to make from LB Holdings Intermediate 2 Limited ("LBHI2"), the extent of which is impacted both by the Subordinated Debt litigation and by the Clawback Proceedings, the background to which has been explained in our previous progress reports.

The Subordinated Debt Litigation was heard in November 2019 and the Court's Judgement is currently awaited. Further information can be found at the following link:

<https://www.pwc.co.uk/services/businessrecovery/administrations/non-lbie-companies/lbhi2-limited-in-administration.html>

Future recoveries by LBH from LBHI2 are additionally dependent upon the eventual outcome in the administration of Lehman Brothers International (Europe) ("LBIE") and upon the terms of the Wentworth joint venture. These matters have also been described in our previous progress reports.

These complexities within the Lehman structure continue to make it difficult to estimate Eldon Street's eventual recovery of further, post-administration statutory interest from LBH. As a consequence, the Administrators are unable to

provide an indication of the timing and quantum, if any, of future distributions to creditors.

Realisations from subsidiaries

The Administrators' continue to seek to identify opportunities and options to simplify the underlying assets of Eldon Street's remaining solvent subsidiaries, including Eldon Street (Fidenza) Limited and Eldon Street (Jefferson) Limited. These subsidiaries' assets include minority stakes in companies that hold property investments. Those property investments continue to have both actual and potential value and the Administrators continue to manage the position in order to maximize returns to creditors.

Eldon Street continues to hold funds on behalf of certain of its subsidiaries which do not hold independent bank accounts. These funds have been disclosed in the receipts and payments account as 'Funds held on trust'.

Funds received from subsidiaries (including the seven subsidiaries which are now dissolved) total c. £20.0m.

Corporation Tax

All corporation tax returns up to and including the year ended 8 December 2017 have been agreed by HM Revenue & Customs ("HMRC"). The corporation tax return for the 2018 period has been submitted to HMRC and the enquiry period will close on 8 December 2020. £60k was received in the Reporting Period in respect of 2018 losses surrendered as group relief to another Lehman entity. The 2019 tax return is currently being drafted.

Eldon Street has c. £7.9m of pre-April 2017 losses and c. £0.45m of post-April 2017 losses carried forward as at 8 December 2018.

Investigations and actions

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

Section 3 Statutory and other information

<i>Court details for the Administration:</i>	High Court of Justice, Chancery Division, Companies Court - case 11056 of 2008
<i>Full name:</i>	Eldon Street Holdings Limited
<i>Trading name:</i>	Eldon Street Holdings Limited
<i>Registered number:</i>	04108165
<i>Registered address:</i>	7 More London Riverside, London, SE1 2RT, United Kingdom
<i>Date of the Administration appointment:</i>	9 December 2008
<i>Current Administrators' names and addresses:</i>	GE Bruce, DA Howell, EJ Macnamara and R Downs of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
<i>Appointer's name and address:</i>	The directors of the Company, 25 Bank Street, London, E14 5LE
<i>Objective being pursued by the Administrators:</i>	Achieving a better result for Eldon Street's creditors as a whole than would be likely if Eldon Street was wound up (without first being in Administration)
<i>Division of the Administrators' responsibilities:</i>	In relation to paragraph 100(2) of schedule B1 to the Insolvency Act 1986, 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
<i>Details of any extensions of the initial period of appointment:</i>	The High Court of Justice has granted six successive extensions to the Administration period to: 30 November 2010; 30 November 2011; 30 November 2013; 30 November 2015; 30 November 2018; and to 30 November 2020

Section 4 Financial information

Receipts and payments account

An account of the receipts and payments for the Reporting Period, together with a cumulative total since commencement of the Administration, is set out in Section 5.

Administrators' expenses

As outlined in the previous reports, Statement of Insolvency Practice 9 ("SIP9") was revised with effect from 1 December 2015 and applies to all open insolvency cases.

Set out in Section 6 is a statement of the expenses that the Administrators have incurred from the date of their appointment to 8 June 2020, together with an estimate of future expenses.

Administrators' remuneration

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

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

(i) an analysis of the Administrators' time costs for the period 1 November 2019 to 31 May 2020, including the cumulative total time costs from the date of the Administrators' appointment to 31 May 2020; and

(ii) a summary of the Administrators' time costs for the period, including the key categories of work, further information on the work undertaken, how the work benefits creditors and whether it was required by statute.

As at 8 June 2020, the Administrators have drawn remuneration of c. £4.0m plus VAT in respect of time costs incurred to 31 May 2020.

Time costs for the seven months to 31 May 2020 total c. £207k plus VAT, which represents 343 hours at an average hourly rate of £603.

Disbursements

Category 1 disbursements comprise payments to third parties, for example in relation to travel costs, statutory advertising and insolvency office holders' insurance. The Administrators are not required to seek approval to draw Category 1 disbursements.

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

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

Disbursements of £851 plus Vat were paid in the Reporting Period, in relation to previous reporting periods. These were Category 1 disbursements. No disbursements were incurred in the Reporting Period.

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 Insolvency (England & Wales) Rules 2016 ("IR16"). Any request must be in writing. Creditors can also challenge our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees 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

Section 5 Receipts and payments account

	GBP Movements in the period		USD Movements in the period		EUR Movements in the period		SEK Movements in the period	
	8 Jun 2020	8 Dec 2019	8 Jun 2020	8 Dec 2019	8 Jun 2020	8 Dec 2019	8 Jun 2020	8 Dec 2019
Receipts								
Corporation Tax refund (Note 1)	2,210,311	-	2,210,311	-	-	-	-	-
Contribution to the Pension Club Deal	11,800,000	-	11,800,000	-	-	-	-	-
Distributions from subsidiaries (Note 1, 2)	14,572,213	24,833	14,547,380	-	-	-	-	-
Intercompany debtors	35,443,418	-	35,443,418	226,749,109	-	226,749,109	-	-
Bank interest	854,331	41,805	812,526	9,505	692	8,813	3,093	3,093
Recovery of intercompany loan	280,000	-	280,000	-	-	-	-	-
Sale of tax losses	2,993,822	60,481	2,933,341	-	-	-	-	-
Net tax function costs recharged	414,124	-	414,124	-	-	-	-	-
Sale of creditor claims	1,100,000	-	1,100,000	-	-	-	-	-
Funds held on trust (Note 1)	8,878,581	-	8,878,581	22,619,960	-	22,619,960	-	-
Total receipts	78,546,800	127,119	78,419,681	249,378,574	692	249,377,882	9,536,618	9,536,618
Payments								
Bank charges	52	-	52	867	-	867	-	-
Consultancy fees	11,446	-	11,446	-	-	-	51	51
Employee costs	1,194,384	79,468	1,114,976	-	-	-	-	-
Legal fees	890,489	195	890,294	-	-	-	-	-
Serviced Office Provision	13,414	-	13,414	-	-	-	-	-
Funds held on trust	8,834,991	-	8,834,991	-	-	-	-	-
Contribution to Pension Club Deal	11,800,000	-	11,800,000	-	-	4,930,188	-	4,930,188
Pension related legal costs	209,146	-	209,146	-	-	-	-	-
Payments on behalf of subsidiaries (Note 1, 3)	894,102	15,693	878,409	-	-	-	-	-
Professional fees	95,905	-	95,905	-	-	6,191	-	6,191
Registers fees	400	-	400	-	-	-	-	-
IT costs	41,741	-	41,741	-	-	-	-	-
Statutory costs	95,534	-	95,534	-	-	-	-	-
Insurance	381,127	20,160	360,967	-	-	-	-	-
Joint Administrators' remuneration	4,043,485	18,040	4,025,445	-	-	-	-	-
Joint Administrators' category 1 disbursements	2,448	852	1,596	-	-	-	-	-
Joint Administrators' category 2 disbursements	26	-	26	-	-	-	-	-
Irrecoverable VAT (Note 4)	1,082,602	6,956	1,075,646	-	-	-	-	-
Total payments	29,598,292	141,304	29,456,988	867	867	4,936,430	4,936,430	32,274,587
Intracompany transfers								
Receipts	167,726,175	-	167,726,175	-	-	-	-	-
Payments	-	-	-	(245,933,660)	-	(245,933,660)	(4,600,188)	(4,600,188)
Total receipts less total payments	216,674,683	(14,185)	216,688,868	4,344,047	692	4,343,355	-	(32,274,323)
Less: Distributions								
1st dividend to unsecured creditors of 12p in the £, declared on 29 Oct 2013	55,372,350	-	55,372,350	-	-	-	-	-
2nd dividend to unsecured creditors of 5.98p in the £, declared on 4 Sep 2014	27,593,888	-	27,593,888	-	-	-	-	-
3rd dividend to unsecured creditors of 6.94p in the £, declared on 11 Mar 2015	30,880,299	-	30,880,299	-	-	-	-	-
4th dividend to unsecured creditors of 5.6p in the £, declared on 9 Mar 2016	24,256,382	-	24,256,382	-	-	-	-	-
5th dividend to unsecured creditors of 1.65p in the £, declared on 9 Sep 2016	4,006,955	-	4,006,955	4,163,345	-	4,163,345	-	-
6th dividend to unsecured creditors of 1.25p in the £, declared on 6 Feb 2017	5,414,374	-	5,414,374	-	-	-	-	-
7th dividend to unsecured creditors of 6.062p in the £, declared on 11 Sep 2017	26,256,130	-	26,256,130	-	-	-	-	-
8th dividend to unsecured creditors of 5.710p in the £, declared on 20 Mar 2018	24,732,273	-	24,732,273	-	-	-	-	-
9th dividend to unsecured creditors of 1.530p in the £, declared on 14 Sep 2018	6,626,482	-	6,626,482	-	-	-	-	-
Total distributions	205,139,130	-	205,139,130	4,163,345	-	4,163,345	-	-
Total receipts less total payments less distributions	11,535,552	(14,185)	11,549,737	180,701	692	180,009	-	-
Cash balances								
HSBC (Note 5)	1,069,739	(445,881)	1,515,620	180,701	692	180,009	-	-
Money Markets	10,465,813	(431,696)	10,034,117	-	-	-	-	-
Total Cash (Note 6)	11,535,552	(14,185)	11,549,737	180,701	692	180,009	-	-

Notes

- (1) Prior period adjustments have been made to recategorise funds held and payments made in relation to the Company's subsidiaries in order to accurately reflect the cash held.
- (2) Includes distributions received by Eldon Street from its subsidiaries either in settlement of creditor balances or by way of a surplus due to the Company in its capacity as shareholder.
- (3) Payments on behalf of subsidiaries include audit fees and professional costs.
- (4) Due to the nature of the Company's former business, it is not entitled to recover input VAT on its costs.
- (5) The Company's GBP and USD accounts are interest bearing. The EUR and SEK accounts are no longer interest bearing.
- (6) Total cash at 8 June 2020 based on exchange rates at 8 June 2020 was £11,677,859.
- (7) The estimates to realise values of assets shown in the directors' statement of affairs do not represent a meaningful comparison with the current position and are therefore excluded.
- (8) All of the Company's assets are uncharged, there being no secured creditors.

Section 6 Expenses

The information in the table below provides details of the Administrators' expenses. Expenses are defined as amounts payable by the Administrators from the estate. They include the Administrators' fees but exclude distributions to creditors. The table also excludes payments made on behalf of subsidiaries and any potential tax liabilities, other than VAT, that may be payable as an Administration expense. Tax amounts becoming due will depend on the position at the end of the accounting period and the impact of any tax reform.

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

In estimating future expenses, assumptions have been made relevant to the annual run rate and anticipated length of the Administration.

	Brought forward from preceding period £'000	Paid in Reporting Period £'000	Cumulative £'000	Incurred in Reporting Period £'000	Estimated future £'000	Anticipated total £'000
Legal fees and disbursements	890	-	890	-	998	1,888
Pension related legal costs	209	-	209	-	-	209
Employee wages and associated costs	1,115	79	1,194	76	306	1,500
Administrators' remuneration and disbursements	4,028	19	4,047	187	1,704	5,751
Insurance	361	20	381	20	55	436
Statutory costs	95	-	95	-	32	127
Other supplier costs e.g. bank charges	157	16	173	14	37	210
Irrecoverable VAT	1,083	7	1,090	40	554	1,644
Total	7,938	141	8,079	337	3,686	11,765

Section 7 Joint Administrators' time costs

Classification of work	Partner/Director		Senior Manager/Manager		Senior Associate		Associate/Support Staff		Total	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
Accounting and treasury	-	-	19.15	11,404	50.05	20,997	14.40	3,024	83.60	35,425
Strategy and planning	53.95	46,200	29.00	17,281	4.25	1,848	-	-	87.20	65,329
Statutory and other compliance	13.20	11,088	27.75	17,359	54.80	23,128	18.30	3,385	114.05	54,960
Tax and VAT	12.30	17,873	28.50	26,361	16.55	6,805	1.00	169	58.35	51,208
Total for the seven month period to 31 May 2020	79.45	75,161	104.40	72,405	125.65	52,778	33.70	6,578	343.20	206,922
Average hourly rate for the seven month period to 31 May 2020										603
Cumulative total to 31 May 2020										4,277,988

Current charge out rates	Business Restructuring Services	Specialists
	Max £/hr	
Grade	From 1 July 2019	
Partner	956	1,520
Director	840	1,395
Senior Manager	605	1,290
Manager	525	775
Senior Associate	435	575
Associate/Support Staff	270	305

Notes:

- (1) The cumulative total refers to the time costs incurred to 31 May 2020, of which c.£4.0m plus VAT has been paid to date.
- (2) Time costs are net of VAT.

Summary of the Joint Administrators' time costs for the period 1 November 2019 to 31 May 2020

Accounting and treasury - £35,425

This is an essential function for the management of funds held by the Administrators on behalf of the Company. The Administrators' treasury and cash management teams monitor and control the movement of funds, mitigate risk and seek to maximise the interest made on investments for the benefit of the Company's creditors.

Activities include:

- Reconciliation of bank accounts;
- Provision of information for the purposes of statutory reporting;
- Arrangement of receipts and payments and coding of movements;
- Monitoring flow of funds into bank accounts;
- Analysis of interest rates available with counterparties;
- Active management of money market deposit including mitigating risk on such deposit;
- Due consideration of best strategy for dealing with cash;
- Monthly reporting of outstanding deposits and month end bank balances;
- Daily monitoring of funds required for immediate cash needs to ensure that optimal level of funds is held on deposit; and
- Dealing with funds held on behalf of subsidiaries and management of receipts and payments.

Strategy and planning - £65,329

The Administrators and their staff continue to invest time in the planning and delivery of their strategy to progress the Administration. The Administrators consider that their actions support their objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration) and continue to explore strategies leading to the conclusion of the Administration. The Administrators anticipate that the Company will be dissolved after the conclusion of the Administration.

Activities include:

- Reviewing and directing the overall strategy for the Administration, including liaising with stakeholders and providing information to legal advisers in relation to the Clawback Proceedings
- Conducting regular team meetings to consider case progression;
- Updating strategy documents and circulating for Administrators' approval;
- Reviewing financial information including updating the estimated outcome statement; and
- Liaising with the directors of Eldon Street's solvent subsidiaries regarding matters arising, dealing with third parties and the impact on the timing of placing those entities into MVL.

Statutory and other compliance - £54,960

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

- Preparing and circulating the Administrators' 22nd progress report;
- Preparing a receipts and payments account and detailed remuneration and future expenses summaries for the progress report to creditors;
- Dealing with statutory filings at Companies House and Court;
- Preparing the Administrators' internal six-monthly case review in accordance with professional requirements;

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- Managing and updating communications on Eldon Street's dedicated website, case files and records; and
 - Dealing with other ad-hoc compliance and statutory issues.

Tax and VAT - £51,208

The following tasks were undertaken for VAT and tax compliance purposes and in some circumstances for the benefit of creditors:

- VAT reconciliation and preparation of VAT returns to account for the Company's output tax;
- Dealing with corporation tax and VAT queries;
- Commencing draft corporation tax return and tax accounts for the year ended 8 December 2019;
- Analysis of tax impact on the Company's liquidation plans for its subsidiaries;
- Compliance with the Administrators' responsibilities under Senior Accounting Officer legislation, Tax Strategy, Corporate Criminal Offence legislation and FATCA; and
- Internal meetings to discuss future recoveries and tax position.

Section 8 Joint Administrators' estimate of future time costs

The Administrators continue to actively seek the most efficient strategy for realising and distributing the remaining assets to the Company's creditors. Eldon Street's principle asset is the remaining statutory interest entitlement on its paid £31.3m claim against LBH, and the complexities affecting Eldon Street's recovery from LBH have been outlined earlier in the report. In the meantime, the Administrators continue to progress all other matters in relation to the estate.

The Administrators currently estimate that their future time costs and disbursements to complete the Administration will be c. £1.5m, broadly analysed as follows:

Classification of work	£'000
Accounting and Treasury	180
Strategy and Planning	450
Creditors and Distributions	390
Statutory and other compliance	350
Tax and VAT	130
Total	1500

The above figures assume that:

- The Administration will not be concluded prior to 30 November 2020, which is when the Administration is currently due to end;
- Time costs relating to compliance and maintenance of the case will be incurred at a similar rate to that incurred in the Reporting Period; and
- There will be further distributions to unsecured creditors.

Relationships

The Administrators have no business or personal relationships with the parties who approve their fees or who provide services to the Administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

Certain centralised services are undertaken on behalf of Eldon Street by employees retained by LBIE and LB SF Warehouse Limited for their prior and ongoing knowledge of the Company and its subsidiaries' affairs. Included in these services are the provision of certain tax and VAT services and key staff resource. The benefit to the Company's creditors is through cost savings. This is because the Administrators consider it more efficient that this work is carried

out by subcontractors and by the centralisation of services. The costs of such services are recharged to Eldon Street on a time costs basis and are invoiced directly to the estate.

Legal and other professional firms

The Administrators have instructed the following professionals on this case to assist with various legal matters arising in the Administration. In addition, the directors of the subsidiaries have instructed Reed Smith LLP. The selection of individual legal firms is determined by the jurisdiction and nature of the advice being sought, and whether a conflict exists. All professional firms instructed by the Administrators are required to provide a narrative explanation in support of invoices. All invoices are reviewed before being approved for payment. The Administrators are satisfied that the level of legal and professional costs is appropriate.

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services	Linklaters LLP	Industry knowledge	Time costs
Legal services	Reed Smith LLP	Industry knowledge	Time costs
Legal services	Brown Rudnick LLP	Industry knowledge	Time costs