

Joint Administrators' progress report from 9 June 2024 to 8 December 2024

Eldon Street Holdings Limited
(in administration)

High Court of Justice, Chancery Division, Companies Court
Case no. 11056 of 2008

7 January 2025



Strictly private and confidential

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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.

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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:

<https://www.pwc.co.uk/services/business-restructuring/administrations/lehman/eldon-street-holdings-limited.html>

Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

GE Bruce, DJ Kelly 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. All 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>

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PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Abbreviations and definitions

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

Abbreviation or definition	Meaning
Administrators	Gillian Eleanor Bruce, David James Kelly and Edward John Macnamara of PricewaterhouseCoopers LLP
Company / ESH	Eldon Street Holdings Limited - in administration
Firm / PwC	PricewaterhouseCoopers LLP
Fidenza	Eldon Street (Fidenza) Limited
HMRC	HM Revenue and Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
LBIE	Lehman Brothers International (Europe) - in administration
LBH	Lehman Brothers Holdings plc - in administration
LBHI	Lehman Brothers Holdings Inc
LBHI2	LB Holdings Intermediate 2 Limited - in administration
LBL	Lehman Brothers Limited - in administration
PTG	Lehman Brothers (PTG) Limited - in administration
Reporting Period	9 June 2024 to 8 December 2024
Sch. B1 IA86	Schedule B1 to the Insolvency Act 1986
SIP9	Statement of Insolvency Practice 9
Statutory Interest	Interest calculated in accordance with IR16 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

Section 1: Introduction

Introduction

This is the thirty-second progress report prepared by the Administrators of the Company. This report provides an update on the work the Administrators have undertaken, with a particular focus on progress made in the Reporting Period. Earlier reports can be viewed on the Administrators' website at

<https://www.pwc.co.uk/services/business-restructuring/administrations/lehman/eldon-street-holdings-limited.html>

Objective of the Administration

The Administrators are pursuing the 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 manage the Administration in accordance with the proposals approved by creditors. The Administrators continue to review the objective of the Administration on a regular basis.

The specific aims of this administration are to:

- protect and control the Company's assets;
- maximise value for the Company's creditors from its real estate interests, intercompany debtors and shareholdings in its subsidiaries; and
- distribute to creditors as and when appropriate.

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.

In total, cash distributions of £215,123,371 and US\$4,163,345 have been paid to date, equating to cumulative dividends totalling 49.0369 pence in the pound. No further distributions were made in the period. However, shortly after the period end a notice of intended distribution was issued.

Additional future distributions are contingent upon the outcome of the issues detailed in Section 2.

Why we remain in office

The Administrators remain in office to deal with the following tasks:

- Realise all remaining assets;
- Manage investments in ESH's subsidiaries to maximise returns to creditors;
- Make further distributions to unsecured creditors;
- Ensure compliance with tax and VAT matters;
- Ensure compliance with statutory tasks; and
- Bring the administration to an orderly conclusion.

Further details are contained within the body of this report.

What you need to do

This report is for your information and you do not need to do anything.

This report and future updates

We are currently considering a further extension to the administration, this decision is taking into account the realisations still expected to be received into ESH and onward distributions to creditors. We will provide another update on this in our next report.

The Administrators' next formal progress report to creditors will be in approximately six months' time, and will be posted to the website. If you have any questions, please contact the Administrators at uk_lehmanaffiliates@pwc.com.

Signed



Gillian Bruce

Joint Administrator

Eldon Street Holdings Limited - in administration

Section 2: Administrators' actions to date

Background

Eldon Street Holdings Limited is a subsidiary of Lehman Brothers (PTG) Limited - in administration. The Company was initially formed to hold investments in other real estate companies within the Lehman Brothers group in addition to holding a small portfolio of equity and debt interests in real estate assets in its own right.

Apart from these real estate interests the main assets and liabilities of ESH are intercompany debtors and creditors.

Through the course of the administration ESH has received GBP £18,400,538, EUR €4,600,188 and SEK 31,274,323 in distributions from subsidiaries and realised GBP £53,246,487 and USD \$226,749,109 from intercompany debtors. To date ESH has distributed GBP £215,123,371 and USD \$4,163,345 to creditors.

Progress made in the Reporting Period

Asset realisations

Lehman Brothers Holdings Plc (in administration) ("LBH")

The Company has an admitted claim against LBH of £31,358,468, which has been paid in full. In addition, the Company has an entitlement to post-administration, statutory interest on that claim.

In our previous report, we explained that the Partial Discharge issue which had arisen, might affect the calculation of the post-administration interest due to ESH. We are pleased to inform you that on 2 October 2024, an agreement was reached between LBH and ESH which resulted in £4,490,573 being received as a final distribution from LBH.

While this distribution is less than the full statutory interest which ESH originally calculated, the Administrators agreed this settlement was in the best interest of the creditors of ESH as it facilitates:

- A reduction in the amount of time before creditors can receive a substantial amount in distributions;
- A potential reduction of the length of the administration, therefore reducing overall costs and increasing the amount available to creditors; and
- The avoidance of a further court process with the inevitable costs of litigation and the inherent risk of ultimately losing the application

The LBH update can be found at:

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

Subsidiary investments

Fidenza remains a party to two joint venture arrangements, one of which holds development land in the UK and the other an investment in an Italian destination shopping complex.

To date, Fidenza has realised £2.7m in relation to the development land joint venture and has remitted £750k to the Company in this regard. The Administrators are confident that Fidenza will make additional recoveries from this joint venture over the next 18 - 24 months and, in turn, will make further distributions to ESH.

The second joint venture, in the Italian shopping complex, is a more complicated structure and the Administrators are currently in dialogue with the directors of Fidenza and LBHI, the Company's ultimate majority stakeholder, to identify a long term solution. The Administrators anticipate being able to provide a further update in the next progress report in six months time.

ESH continues to hold funds on behalf of Fidenza, which does not hold a bank account of its own. These funds have been disclosed in the receipts and payments account as 'Funds held on trust'. The Administrators anticipate that a proportion of these funds will become available to the Company in due course but the quantum and timing of the transfer remains uncertain.

Distributions

Total cash distributions of £215,123,371 and US\$4,163,345 have been paid to creditors to date, equating to cumulative dividends totalling 49.0369 pence in the pound. No distributions were made during the Reporting Period.

Shortly after the Reporting Period the Administrators issued a notice of intended dividend with payment anticipated in the first quarter of 2025.

Tax planning and compliance

The corporation tax return for the year ended 8 December 2023 was submitted to HMRC in the Reporting Period. The Administrators have continued to meet their obligations under the Senior Accounting Officer legislation.

Statutory and compliance

During the Reporting Period we have:

- Prepared and issued our 31st progress report (dated 4 July 2024); and
- Fulfilled statutory obligations of the Administrators.

Investigations and actions

Nothing has come to the Administrators' attention during the Reporting Period to suggest that they need to do any more work in line with their duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Administrators' receipts and payments account

The Administrators set out in Appendix A an account of their receipts and payments in the administration for the six months to 8 December 2024, together with a cumulative total since the beginning of the administration.

The receipts and payments account shows an overview of cash movements. Key movements include:

- Receipt of £4.5m from LBH in accordance with the Partial Discharge agreement;
- Receipt of £261k in interest on investments and bank accounts;
- Reduction of £603k in relation to funds held on trust; and
- Net receipt of £25k in relation to employee related costs, further details are noted in Appendix A.

Administrators' expenses

A statement of the expenses incurred to the date covered by this report and an estimate of future expenses is set out at Appendix B.

Administrators' fees

An update on the Administrators' remuneration - which covers the Administrators' fees, disbursements and other related matters in this case - is set out at Appendix C.

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 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

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

Creditors may also wish to refer to the previous creditors' guidance to understand the applicable regulations for appointments prior to 5 April 2010:

<https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2007/a-creditors-guide-to-administrators-fees-1-apr-2007.ashx>

Creditors can also get copies of these guides free of charge by telephoning Adrienne Rorden on 0113 289 4000 or by emailing uk_lehmanaffiliates@pwc.com.

Appendix A: Receipts and payments

	Note	8 Dec 2024	GBP Movement in Period	8 Jun 2024	8 Dec 2024	USD Movement in Period	8 Jun 2024
Receipts							
Corporation Tax refund		2,210,311	-	2,210,311	-	-	-
Contribution to the Pension Club Deal		11,800,000	-	11,800,000	-	-	-
Distributions to subsidiaries	1	18,400,538	-	18,400,538	-	-	-
Intercompany debtors		53,246,487	4,490,573	48,755,914	226,749,109	-	226,749,109
Bank interest		1,986,739	261,331	1,725,408	16,707	-	16,707
Recovery of intercompany loan		280,000	-	280,000	-	-	-
Sale of tax losses		2,993,822	-	2,993,822	-	-	-
Net tax function costs recharged		414,124	-	414,124	-	-	-
Sale of creditor claims		1,100,000	-	1,100,000	22,619,960	-	22,619,960
Funds held on trust	2	1,260,397	(602,831)	1,863,229	-	-	-
Total receipts		93,692,419	4,149,073	89,543,346	249,385,776	-	249,385,776
Payments							
Distributions to unsecured creditors		215,123,371	-	215,123,371	4,163,345	-	4,163,345
Joint Administrators' remuneration	3	5,444,426	-	5,444,426	-	-	-
Joint Administrators' Category 1 disbursements		3,024	-	3,024	-	-	-
Joint Administrators' Category 2 disbursements		739	-	739	-	-	-
Legal, professional and consultancy fees		2,337,496	8,813	2,328,683	-	-	-
Legal Settlement		-	-	-	8,000,000	-	8,000,000
Employee wages and associated costs	4	1,852,599	(25,415)	1,878,014	-	-	-
Insurance		381,128	-	381,128	-	-	-
Statutory costs		117,425	-	117,425	-	-	-
Contribution to Pension Club Deal		11,800,000	-	11,800,000	-	-	-
Payments on behalf of subsidiaries	5	973,962	-	973,962	-	-	-
Purchase of tax losses		419,905	-	419,905	-	-	-
Corporation tax		941,360	-	941,360	-	-	-
Other		96,060	771	95,289	867	-	867
Irrecoverable VAT	6	1,464,817	10,822	1,453,995	-	-	-
Total payments		240,956,311	(5,009)	240,961,320	12,164,212	-	12,164,212
Intracompany transfers - FX conversion							
Receipt		167,871,572	-	167,871,572	8,000,000	-	8,000,000
Payment		(5,839,348)	-	(5,839,348)	(245,221,564)	-	(245,221,564)
Total receipts less total payments		14,768,332	4,154,081	10,614,250	-	-	-
Cash balances							
HSBC	7, 8	268,332	(10,345,919)	10,614,250	-	-	-
Money market	9	14,500,000	14,500,000	-	-	-	-
Total cash		14,768,332	4,154,081	10,614,250	-	-	-

Note: Amounts have been rounded to the nearest £1, which may slightly affect castings

Notes to the receipts and payments account

1. Includes distributions received from subsidiaries either in settlement of creditor balances or by way of a surplus due to the Company in its capacity as shareholder.
2. Funds held on behalf of the Company's subsidiaries.
3. As explained further in Appendix C, the Administrators' fees are based on time costs basis. The receipts and payments account shows the amount paid in the period and total to date.
4. Includes a quarterly recharge currently paid to Lehman Brothers International (Europe) for providing tax services, and LB SF Warehouse Limited costs, benefiting creditors through cost savings from the centralisation of services. Total paid in the period for these related company costs was £2,100 with £27.5k refunded from PTG for costs paid on that company's behalf. There has been £1.8m paid to date.
5. Payments on behalf of subsidiaries include audit fees and professional costs.
6. Due to the nature of the Company's former business, it is not entitled to recover input VAT on its costs.
7. The Company's GBP account is interest bearing. The previously used USD, EUR and SEK accounts have all been closed.
8. Funds have been previously held in different currencies due to the receipts from European investments; they were transferred into the GBP account when appropriate to include in further distributions.
9. During the period the Administrators have moved a significant amount of funds held into a money market investment account resulting in a greater interest return for creditors ahead of the next distribution.

The Administrators continue to manage the estate's funds with a cautious outlook and with regard to appropriate policies (designed by treasury specialists), as amended from time to time whilst attending to other relevant considerations.

10. 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.
11. A detailed breakdown of the distributions to creditors paid to date is included in the below table.

Distributions to unsecured creditors	GBP	USD
1st dividend of 12.00p in the £, declared on 29 Oct 2013	(55,372,350)	
2nd dividend of 5.98p in the £, declared on 4 Sep 2014	(27,593,888)	
3rd dividend of 6.94p in the £, declared on 11 Mar 2015	(30,880,299)	
4th dividend of 5.6p in the £, declared on 9 Mar 2016	(24,256,382)	
5th dividend of 1.65p in the £, declared on 9 Sept 2016	(4,006,955)	(4,163,345)
6th dividend of 1.25p in the £, declared on 6 Feb 2017	(5,414,371)	
7th dividend of 6.062p in the £, declared on 11 Sep 2017	(26,256,130)	
8th dividend of 5.710p in the £, declared on 20 Mar 2018	(24,732,273)	
9th dividend of 1.530p in the £, declared on 14 Sep 2018	(6,626,482)	
10th dividend of 0.9117p in the £, declared on 23 Feb 2021	(3,948,989)	
11th dividend of 0.4843p in the £, declared on 16 Sep 2021	(2,082,756)	-
12th dividend of 0.9189p in the £, declared on 8 Mar 2024	(3,952,496)	
Total distributions	(215,123,371)	(4,163,345)

Appendix B: Expenses

Expenses are amounts properly payable by the Administrators from the estate. They include the Administrators' fees but exclude distributions to creditors.

Expenses also 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
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to the Administrators' firm or their 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 general body of creditors) also have the responsibility for agreeing the policies for payment of Category 2 expenses.

The rate for services provided by the Administrators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 2 expenses incurred in the Reporting Period, together with details of the Category 1 expenses that have been incurred as disbursements by PwC and will be recharged to the case.

Category	Provided by	Basis of cost	Costs incurred £
1	PwC	Travel and subsistence expenses - includes air and rail travel, hotels, parking and meals	301.00
2	PwC	Printing - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying	nil
2	PwC	Mileage - petrol / diesel / hybrid - 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc); full electric - 72 pence per mile; bicycle - 12 pence per mile	nil
Total			301.00

The expense policy set out above has been approved by the general body of creditors.

Payments to associates and subcontracted work

Certain centralised services are undertaken on behalf of the Company by employees retained by LBIE and LB SF Warehouse Limited for their prior and ongoing knowledge of the Company's affairs. Included in these services are the provision of certain tax and VAT services.

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 the Company on a time costs basis and are invoiced directly to the estate.

During the Reporting Period £2,100 was paid to LBIE after review to ensure the costs were appropriate. This was offset by a receipt from PTG of £27,515 for payments made to LB SF Warehouse Limited in relation to time paid on PTG's behalf but was benefiting that company.

Analysis of expenses and Administrators' remuneration

The table below provides details of all the expenses incurred in the administration (stated in GBP). It should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the Reporting Period and the total paid to date.

The table excludes any potential tax liabilities that may need to be paid as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

R&P Category	Incurred in Reporting Period (£000s)	Estimated future (£000s)	Estimated total (£000s)
Joint Administrators' remuneration & expenses	142	832	6,575
Legal, professional and consultancy fees	9	393	2,730
Employee wages and associated costs	0	150	2,003
Insurance	-	-	381
Statutory costs	-	33	150
Other costs	-	-	96
Irrecoverable VAT	30	251	1,986
Total	181	1,658	13,922

Notes to the expenses table

1. Amounts have been rounded to the nearest £1k, which may slightly affect castings.
2. Estimated future costs are dependent on the outcomes of various outstanding issues noted earlier in this report and therefore are provided as a guide only.

Legal and other professional firms

The Administrators have instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services in relation to the extension of the administration	Linklaters LLP	Specialist knowledge and experience	Time cost basis
Legal advice regarding claims and distributions	Squire Patton Bogg (UK) LLP	Specialist knowledge and experience	Time cost basis

The selection of individual legal firms is determined by the jurisdiction and nature of the advice being sought, and whether conflicts exist.

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 costs is appropriate.

Appendix C: Remuneration update

The Administrators' fees were approved by creditors by reference to time properly given by the Administrators and their staff in attending to matters arising in the administration. To 8 December 2024, the Administrators have drawn fees of £5,444,426 in line with the approval given, as shown on the receipts and payments account. During the Reporting Period, the Administrators did not draw fees on account of their time costs but will do so ahead of the next distribution.

The time cost charges incurred in the Reporting Period are £141,417. An analysis of the total hours and cost incurred by grade of staff can be found later in this appendix.

Set out later in this appendix are details of the work undertaken to date and anticipated future work.

Time charging policy and hourly rates

The Administrators and their team charge time for the work they need to do in the administration. Tasks are delegated to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed, and the Administrators supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by senior staff or the Administrators.

All PwC staff who work on the administration (including the Firm's 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 cashiers, support and secretarial staff is charged 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). The Administrators do not charge general or overhead costs.

Set out below are the maximum charge-out rates per hour for the grades of PwC staff who worked on the administration during the Reporting Period.

Grade	To 30 June 2024		From 1 July 2024	
	Restructuring, Insolvency & Forensics (£)	Tax, Legal, Data & Technologists (£)	Restructuring, Insolvency & Forensics (£)	Tax, Legal, Data & Technologists (£)
Partner	1,060	1,385	1,090	1,425
Director	975	1,310	1,000	1,345
Senior Manager	775	1,060	800	1,090
Manager	625	775	640	795
Senior associate	510	570	525	585
Associate and support staff *	320	315	330	325

*inc. Offshore Professionals

The partner grade includes a retired tax partner who is continuing to act as a consultant across the Lehman Brothers group for the purpose of utilising his expertise on the ongoing complex issues. They are charged at the same rate as other partners.

Our offshore professional colleagues may be utilised to provide assistance in the insolvency, albeit that the majority of the work will be undertaken by the UK based team. Off-shore professionals may include those with appropriate insolvency experience, an accounting or finance-related qualification and appropriate skills to complete basic insolvency related tasks and provide administrative support to the team including efficient document preparation and data entry, records management, and general data analytics. All work under the supervision of more senior staff.

In common with many professional firms, our scale rates may rise eg to cover annual inflationary cost increases.

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.

Analysis of Administrators' time costs for the Reporting Period

Classification of work	Partner ¹ / Director		Senior Manager / Manager		Senior Associate		Associate ² / Support Staff		Total	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
Accounting & Treasury	0.60	600	6.20	4,008	9.00	4,723	21.25	6,992	37.05	16,323
Creditors & Distributions	0.80	800	1.60	1,024	4.40	2,310	-	-	6.80	4,134
Statutory & Compliance	6.40	6,445	6.65	4,312	28.50	14,755	19.65	6,415	61.20	31,926
Strategy & Planning	68.85	68,862	3.95	2,562	4.05	2,111	0.75	248	77.60	73,782
Tax & VAT	6.40	8,398	7.85	6,487	0.70	368	-	-	14.95	15,252
Total for 6 months ended 8 December 2024	83.05	85,105	26.25	18,392	46.65	24,266	41.65	13,654	197.60	141,417
Average hourly rate for the 6 month period to 8 December 2024										716
Brought forward total to 8 June 2024										5,601,919
Cumulative total to 8 December 2024										5,743,336

* includes offshore professionals

Cumulative total to 8 December 2024, by classification of work		£
Accounting & Treasury		862,522
Creditors & Distributions		298,280
Statutory & Compliance		1,195,126
Strategy & Planning		2,491,291
Tax & VAT		896,118
Total		5,743,336

Notes:

1. Includes a retired tax partner who has been retained as a consultant for the purpose of utilising their expertise.
2. Includes offshore professionals.
3. Costs have been rounded up or down, to the nearest whole pound which may result in rounding differences in the casting of the tables above.

Work undertaken in the Reporting Period

Included earlier in this section is an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table more detail is provided on the key areas of work.

Category	Description of tasks
<p>Accounting & Treasury</p> <p>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.</p>	<ul style="list-style-type: none"> • Provision of information for the purposes of statutory reporting; • Arrangement of receipts and payments of funds and coding of movements; • Due consideration of best strategy for dealing with investments; • Analysis of interest rates available with counterparties; • Active management of investments on the money market, and mitigating risk on such investments; • Monitoring flow of funds into the bank accounts; and • Reconciling bank accounts.
<p>Creditors & Distributions</p> <p>This relates to tasks undertaken in relation to creditors, including the calculation and payment of distributions and responding to inbound creditor queries received.</p>	<ul style="list-style-type: none"> • Begin preparation for the 13th interim distribution, including preparing a notice of intended dividend and calculation of the potentially distributable cash.
<p>Statutory & Compliance</p> <p>This relates to work the Administrators undertake in order to ensure compliance with statutory and regulatory requirements.</p>	<ul style="list-style-type: none"> • Preparing and circulating the Administrators' 31st progress report to creditors; • Dealing with statutory filings at Companies House and the Court; • Preparing the Administrators' internal six-monthly case reviews in accordance with professional requirements; • Maintaining regulatory controls; • Producing detailed remuneration and future expenses summaries for inclusion in the progress reports and use in distribution calculations; • Managing and updating communications on ESH's dedicated website, maintaining and managing case files, records and the Company's database; and • Dealing with other ad-hoc compliance and statutory issues.
<p>Strategy & Planning</p> <p>The inherent complexities of the Company's estate mean that the Administrators and their staff continue to invest a significant proportion of their time in the planning and delivery of their strategy for the progression of the Administration, for the ultimate benefit of creditors as a whole.</p>	<ul style="list-style-type: none"> • Consideration of strategy including planning of future distributions to maximise the outcome for ESH's creditors and updating strategy documents; • Discussion with stakeholders in regard to this strategy; • Ongoing review and maintenance of financial information, including updating the estimated outcome statement; • Ongoing review of the remaining assets in subsidiary companies and managing these in order to achieve closure of the subsidiary estates; • Liaising with the LBH administrators with regard to further distributions and achievement of the Partial Discharge settlement; • Regular case team meetings to manage case progression; and • Liaising with specialist internal teams.
<p>Tax & VAT</p> <p>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.</p>	<ul style="list-style-type: none"> • Reconciliation, preparation and submission of quarterly VAT returns; • Submission of the tax computation and return for 2023; • Reviews and updates to the ESH tax strategy; • Compliance with the Administrators' responsibilities under the Senior Accounting Officer legislation; and • Preparation for, attendance and follow up to quarterly internal meetings.

Future work

Examples of work remaining to be done to achieve the purpose of the Administration are shown below. This is not an exhaustive list.

Category	Forecasted cost (£000s)	Description of tasks
<p>Accounting & Treasury</p> <p>Ongoing management of funds held by the Administrators is necessary to monitor and control the movement of funds, mitigate risk and seek to maximise the interest earned for the benefit of the Company's creditors.</p>	60	<ul style="list-style-type: none"> • Provision of information for the purposes of statutory reporting; • Arrangement of receipts and payments of funds and coding of movements; • Monitoring flow of funds into the bank accounts; • Management of money market investments; • Reconciling and closing bank accounts; and • Facilitating payments to the Company's creditors.
<p>Creditors & Distributions</p> <p>This work is necessary for the benefit of creditors as it includes the calculation and payment of distributions and responding to inbound creditor queries received.</p>	75	<ul style="list-style-type: none"> • Paying further distributions to creditors; • Responding to creditors enquiries; and • Updating creditor information.
<p>Statutory & Compliance, including closure work</p> <p>The Administrators need to fulfill all duties under the Insolvency Rules and other regulatory requirements.</p>	210	<ul style="list-style-type: none"> • Preparing and issuing of further progress reports to creditors; • Six monthly reviews of case progress; • Managing and updating communications on the Company's dedicated website, maintaining and managing case files, records and the Company's database • Statutory filings at Companies House and Court; • Planning and applying for further extensions of the administration as required; and • Preparing for and dealing with closure of the administration and dissolution of the Company.
<p>Strategy & Planning</p> <p>Considering the ongoing tasks and requirements then determining the appropriate course of action is necessary for the most efficient and cost effective resolution of the Administration.</p>	340	<ul style="list-style-type: none"> • Directing the overall strategy for the Company; • Ongoing reviews and maintenance of financial information, including updating the estimated outcome statement; • Ongoing reviews of the remaining assets in subsidiary companies and managing these in order to achieve closure of the subsidiary estates; • Oversight of reporting and accounting, including periodic meetings to monitor progress.
<p>Tax & VAT</p> <p>Compliance with tax legislation is a part of the Administrators' obligations as well as ensuring efficient realisation of assets.</p>	146	<ul style="list-style-type: none"> • Preparation and submission of corporation tax computations and 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; and • Compliance with various reporting obligations including tax strategy and corporate criminal offence legislation.

Whilst an estimate of future time costs is provided in the table above, the Administrators caution that actual future costs will be considerably impacted by, among other matters, asset realisations from the remaining subsidiary investments. The estimate provided assumes that the administration may potentially be extended until November 2027; however, that timeframe may be shortened or lengthened depending on how the above matters are ultimately resolved. Accordingly, the eventual future costs may ultimately be materially different from those provided in the estimate.

Appendix D: Other information

Court details for the administration:	High Court of Justice, Chancery Division, Companies Court - Court Case 11056 of 2008
Company's registered name:	Eldon Street Holdings Limited
Trading name:	Eldon Street Holdings Limited
Registered number:	04108165
Registered address:	7 More London Riverside, London, SE1 2RT, United Kingdom
Date of the administration appointment:	9 December 2008
Joint Administrators' names, addresses and contact details:	GE Bruce, DJ Kelly and EJ Macnamara of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT Email: uk_lehmanaffiliates@pwc.com
Changes in Administrator:	<p>On 9 December 2008 Anthony Victor Lomas, Derek Anthony Howell and Dan Yoram Schwarzman were appointed Joint Administrators</p> <p>On 30 November 2009 Steven Anthony Pearson and Michael John Andrew Jervis were appointed as additional Joint Administrators</p> <p>On 22 March 2013 Gillian Eleanor Bruce and Julian Guy Parr replaced Dan Yoram Schwarzman and Michael John Andrew Jervis as Joint Administrators</p> <p>On 26 July 2018 Edward John Macnamara and Russell Downs replaced Anthony Victor Lomas, Steven Anthony Pearson and Julian Guy Parr as Joint Administrators</p> <p>On 30 November 2021 David James Kelly replaced Russell Downs and Derek Anthony Howell as Joint Administrator</p>
Extensions to the initial period of appointment:	The High Court of Justice has granted eight extensions to the Administration period, to: 30 November 2010; 30 November 2011; 30 November 2013; 30 November 2015; 30 November 2018; 30 November 2020; 30 November 2022; and 30 November 2025.
