

Joint Administrators' progress report from 23 September 2022 to 22 March 2023

Mable Commercial Funding Limited
(in administration)

High Court of Justice, Business & Property Courts of England &
Wales, Insolvency & Companies List (ChD)
Case no. 8211 of 2008

21 April 2023

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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
Administrators	AC Grant, DJ Kelly, EJ Macnamara, GE Bruce and DY Schwarzmann
Compromise Arrangement	Mable entered into a Compromise Arrangement with its creditors on 13 April 2021 whereby all creditors (other than LBIE) unanimously agreed to subordinate all of their admitted claims in Mable's estate to any LBIE claims. This arrangement also provided for all of Mable's remaining assets, with the exception of its claim against LBHI, to be transferred to LBIE
Court	The High Court of Justice
Firm	PricewaterhouseCoopers LLP
HMRC	HM Revenue & Customs
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
LBIE	Lehman Brothers International (Europe) - in Administration
Mable, the Company or the Administration	Mable Commercial Funding Limited (in Administration)
Mable Creditors	Parties with creditor claims admitted by Mable as at the date of this report
PML	Preferred Mortgages Limited
Reporting Period	The six months from 23 September 2022 to 22 March 2023
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
Secured Creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
SPML	Southern Pacific Mortgage Limited
Unsecured Creditors	Creditors who are neither secured nor preferential

This report has been prepared by AC Grant, DJ Kelly, EJ Macnamara, GE Bruce and DY Schwarzmann 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

<https://www.pwc.co.uk/services/business-restructuring/administrations/non-lbie-companies/mable-commercial-funding-limited-in-administration.html>. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

AC Grant, DJ Kelly, EJ Macnamara, GE Bruce and DY Schwarzmann 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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Key messages

Why we've sent you this report

We're writing to update you on the progress of the administration of Mable Commercial Funding Limited in the six months since our last report dated 21 October 2022 in accordance with Rule 18.3 of the Insolvency Rules

The statutory receipts and payments accounts for the Reporting Period are attached at Appendix A.

Copies of previous reports and other important announcements can be found at

<https://www.pwc.co.uk/services/business-restructuring/administrations/non-lbie-companies/mable-commercial-funding-limited-in-administration.html>

Interests of remaining creditors

As set out in previous reports, under the terms of the Compromise Arrangement we do not anticipate that there will be further distributions to the Mable Creditors other than those made to LBIE under the terms of the Compromise Arrangement.

This report and future updates

The next formal progress report to creditors will be in approximately six months' time and will be posted to the Mable website on or before 22 October 2023.

As noted previously, a general website notice was sent by post to all known creditors on 22 October 2021 so that statutory reports and notices to creditors (except where required by the Insolvency Rules) can be published on the Mable website.

Extension of the Administration

On 1 November 2022, the Administrators made an application to the UK High Court to extend the Administration for a further three years to 30 November 2025, to allow time to recover receivables from LBHI and consider longer term options regarding SPML and PML (held on trust for LBIE). Following this application, an Order was granted extending the Administrators' term of office to 30 November 2025.

What you need to do

This report is for your information and you don't need to do anything.

Overview of what we've done to date

As set out in our previous report, Mable entered into a Compromise Arrangement with its creditors whereby all creditors (other than LBIE) unanimously agreed to subordinate all of their admitted claims in Mable's estate to any LBIE claims. This arrangement also provided for all of Mable's remaining assets, with the exception of its claim against LBHI, to be transferred to LBIE. Any recoveries from retained assets are distributed to LBIE under the terms of the Compromise Arrangement. Please see previous reports for further detail.

Mable retains legal title to its interests in SPML and PML. However, pursuant to the Compromise Arrangement, a bare trust has been declared, such that the shares in SPML and PML are now beneficially owned by LBIE.

When we last reported, the key outstanding matters in the Administration were as follows:

- Application for a further extension of the Administration;
- Realisation of assets and subsequent distributions in relation to Mable's remaining known asset, being its claim against LBHI;
- Make further payments to LBIE in line with the Compromise Arrangement, as funds permit;
- Continue to consider longer term options for SPML and PML (held on trust for LBIE);
- Statutory reporting to creditors and conduct of regular reviews to assess case strategy and progress;
- File tax and VAT returns including obtaining required clearances from HMRC; and
- Prepare for and deal with the eventual closure of the Administration and dissolution of the Company.

Progress since we last reported

As previously stated, all remaining assets, with the exception of a receivable from LBHI, have been transferred to LBIE as part of the Compromise Arrangement. Realisations in the Reporting Period from LBHI total \$1,097 (£979) and were received on 6 October 2022. On 6 April 2023, shortly after the end of the Reporting Period, a further \$4,098.76 (£3,296) was received from LBHI. These amounts have been distributed to LBIE in accordance with the Compromise Arrangement.

Under the terms of the Compromise Arrangement, LBIE has received £1.5m in dividends from SPML in the Reporting Period and total dividends from SPML and PML of £10.5m since the restructure of Mable. On 6 April 2023, shortly after the end of the Reporting Period, LBIE received c.£2.7m in dividends from SPML. During the Reporting Period, the Administrators explored a number of potential exit opportunities for SPML and PML that could be executed at an appropriate time in the future.

On 29 November 2022, LBIE also received c.£0.7m final distribution from Mable's subsidiary, Storm Funding Limited - in Administration, which was dissolved from the UK Register of Companies on 23 March 2023.

On 1 November 2022 the Administrators made an application to the UK High Court to extend the administration a further three years to 30 November 2025 to allow for the resolution of ongoing matters and asset realisations. Following this application, an Order was granted extending the Administrators' term of office to 30 November 2025.

During the Reporting Period the Administrators have continued to manage the statutory affairs of the Company including creation and publication of the 28th progress report, submission of statutory VAT returns, maintenance of company records and completion of case reviews in line with best practice for all insolvencies.

Please see the LBIE progress report at <https://www.pwc.co.uk/lehman> if you wish to see more information regarding the progress of that administration.

Investigations and actions

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

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the Administration from 23 September 2022 to 22 March 2022. As detailed above, all receipts have been paid directly to LBIE as Mable's bank account is now closed.

Our fees, disbursements and work undertaken in the Reporting Period

We set out in Appendix B an update on our remuneration which covers our position in relation to fees, disbursements and other related matters in this case together with a breakdown of work undertaken in the Reporting Period.

All remuneration and disbursements pertaining to work on this estate are the responsibility of LBIE, and as such, will be paid by LBIE under the terms of the Compromise Arrangement.

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/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>

This guide is for appointments on or after 1 October 2015, or where information is provided by the Administrator about fees, expenses or other payments after 6 April 2017 and whilst not all of the provisions apply to the Mable administration (which commenced on 23 September 2008) it is the most appropriate guide currently available following the changes made by the Insolvency (England and Wales) Rules 2016.

Previous guides can be found here:

<https://www.icaew.com/regulation/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>

You can also obtain a copy free of charge by telephoning Kate McNerlin on +44 7764 235365 or emailing Generalqueries@lbia-eu.com.

What we still need to do

Before the closure of the Administration, the key tasks which will still need to be completed include:

- Realisation of assets and subsequent distributions in relation to Mable's remaining known asset, being its claim against LBHI;
- Make further payments to LBIE in line with the Compromise Arrangement, as funds permit;
- Finalise realisation and exit strategy for SPML and PML (held on trust for LBIE);
- Statutory reporting to creditors and conduct of regular reviews to assess case strategy and progress;
- File tax and VAT returns including obtaining required clearances from HMRC; and
- Prepare for and deal with the eventual closure of the Administration and dissolution of the Company.

Next steps

We continue to consider the best strategy to bring the Administration to a conclusion in due course, taking into account the longer term position with regards to SPML and PML, other asset realisations and tax implications.

We expect to post our next report to the Mable website on or before 22 October 2023.

If you have any questions, please get in touch with Kate McNerlin on +44 7764 235365 or emailing Generalqueries@lbia-eu.com.

Yours faithfully

For and on behalf of Mable Commercial Funding Limited



Alison Grant

Joint Administrator

Appendix A: Receipts and payments

Receipts and Payments to 22 March 2023	As at 22 March 2023			As at 22 March 2023 (GBP equivalent)	Movements from 23 September 2022 to 22 March 2023 (GBP equivalent)	As at 22 September 2022 (GBP equivalent)
	GBP (£) 000's	EUR (€) 000's	USD (\$) 000's	£ 000's	£ 000's	£ 000's
RECEIPTS						
Loan repayments and subsidiary dividends	364,634	7,677	-	371,236	-	371,236
Book debts	158,112	322	10,265	165,912	-	165,912
Legal Fees	-	5	-	4	-	4
Corporation Tax repayments	27,131	-	-	27,131	-	27,131
VAT repayments	1,675	-	-	1,675	-	1,675
Refund of professional fees	6	115	-	105	-	105
Foreign currency conversions	13,248	-	-	13,248	-	13,248
Payment for Group losses surrendered	-	-	-	-	-	-
Principal and interest on Mortgage Assets	84,981	-	-	84,981	-	84,981
Income from investments	1,232	6	-	1,237	-	1,237
Receipts Grand Totals	651,019	8,125	10,265	665,529	-	665,529
PAYMENTS						
Building and occupancy costs	663	-	-	663	-	663
Payroll and employee costs	1,574	-	-	1,574	-	1,574
Legal fees	2,581	-	49	2,617	-	2,617
Insurance premiums	289	-	-	289	-	289
Administrators' remuneration	16,025	-	-	16,025	-	16,025
Administrators' disbursements	78	-	-	78	-	78
Foreign currency conversions	-	8,125	10,168	14,439	-	14,439
Other professional fees	362	-	-	362	-	362
Distributions to Unsecured Creditors	629,447	-	48	629,482	-	629,482
Payments Grand Totals	651,019	8,125	10,265	665,529	-	665,529
NET POSITION	-	-	-	-	-	-

Notes to the Receipts and Payments

As reported in prior progress reports all assets, with the exception of the receivable from LBHI, have been transferred to LBIE and as such all GBP equivalent values are as reported in the 26th progress report to 22 September 2021. All remuneration and expenses pertaining to work on this estate are the responsibility of LBIE and as such, will be paid by LBIE under the terms of the Compromise Arrangement

Exchange rates used were as at 22 September 2021. USD to GBP 0.7329 and EUR to GBP 0.8600

Amounts shown include VAT.

As advised previously, all bank and investment accounts held by the Company have been closed. As such, the receipt of £979.36 during the Reporting Period was made into the bank account of LBIE in accordance with the Compromise Arrangement.

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.

There have been no payments made to us, our firm or our associates other than from the insolvent estate as shown in the receipts and payments account provided above.

Appendix B: Remuneration and disbursements update

As previously reported, in accordance with the Compromise Arrangement, from 23 March 2021 all Administrators' fees and disbursements in relation to Mable are payable by and reported as part of the LBIE administration. The Administrators' remuneration will be determined by the fee agreements with the LBIE Operating Committee. As such there is no remuneration or expenses paid or incurred for Mable in the Period.

The LBIE progress reports are available for your review at <https://www.pwc.co.uk/lehman>

We set out later in this Appendix details of our work to date and anticipated future work.

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report.

Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

Details of subcontracted work

There was no subcontracted work in the Reporting Period.

Our work in the period

As explained above, while all costs are borne by the LBIE administration and therefore not reported here the table below is a listing of some of the key areas of work carried out regarding Mable in the Period.

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury		
<ul style="list-style-type: none"> Recording and reporting of receipts and payments into LBIE under the Compromise Agreement 	<ul style="list-style-type: none"> To ensure terms of the Compromise Agreement are met and realisations are accurate 	<ul style="list-style-type: none"> Required by statute
Realisation of Assets		
<ul style="list-style-type: none"> Monitoring the progress and risks associated with the strategy of asset management and realisation Receipt of further distributions relating to claims Mable has into other Lehman estates and the trading subsidiaries 	<ul style="list-style-type: none"> To realise maximum value for the creditors 	<ul style="list-style-type: none"> Required by statute Increase value to stakeholders
SPML and PML		
<ul style="list-style-type: none"> Monthly management meetings with the employees of SPML and PML to keep apprised of the expected outcomes Continue to consider longer term options regarding SPML and PML (held on trust for LBIE) 	<ul style="list-style-type: none"> To realise maximum value for the creditors 	<ul style="list-style-type: none"> Streamline company structure to be more efficient Increase value to stakeholders
Statutory and compliance		
<ul style="list-style-type: none"> Preparing and distributing progress report for the period ending 22 September 2022 and carrying out other statutory and compliance functions Statutory six monthly review by all Joint Administrators Ensuring compliance with all other statutory and governance issues Updating compliance database and PwC internal databases Preparation of submission to Court for the extension of the Administration 	<ul style="list-style-type: none"> To ensure that all work is compliant with legal and ethical regulations and that systems are updated accordingly 	<ul style="list-style-type: none"> Required by statute and professional guidelines
Strategy and Planning		
<ul style="list-style-type: none"> Team meetings to decide the appropriate actions to complete the work required in the Mable administration Seeking expert advice from both internal and external professionals to determine a viable strategy for the resolution of the Administration 	<ul style="list-style-type: none"> To discuss and agree future actions 	<ul style="list-style-type: none"> Maximise efficiency of work undertaken
Tax and VAT		
<ul style="list-style-type: none"> Tax and VAT compliance including providing the tax specialists with information needed for the 13 April 2022 tax computation and VAT returns 	<ul style="list-style-type: none"> To ensure recovery of applicable funds from HMRC for the benefit of creditors 	<ul style="list-style-type: none"> Required by statute

Our future work

We still need to do the following work to achieve the purpose of administration.

Area of work	Work we need to do	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury	<ul style="list-style-type: none"> Accurate recording and reporting of receipts and payments 	<ul style="list-style-type: none"> Required by statute
Assets	<ul style="list-style-type: none"> Monitor the progress and risks associated with the strategy of asset management and realisation Receipt of further distributions relating to claims Mable has into other Lehman estates and the trading subsidiaries 	<ul style="list-style-type: none"> Required by statute Increase value to stakeholders
SPML and PML	<ul style="list-style-type: none"> Continue to consider longer term options for SPML and PML (held on trust for LBIE) 	<ul style="list-style-type: none"> Streamline company structure to be more efficient Increase value to stakeholders
Statutory and compliance	<ul style="list-style-type: none"> Prepare and distribute six monthly progress reports and carry out other statutory and compliance functions 	<ul style="list-style-type: none"> Required by statute and professional guidelines
Strategy and Planning	<ul style="list-style-type: none"> Team meetings to resolve the ongoing tasks required in the Mable administration Work with experts and the internal and external teams to determine a viable strategy for the resolution of the Administration 	<ul style="list-style-type: none"> Maximise efficiency of work undertaken
Tax and VAT	<ul style="list-style-type: none"> Tax and VAT compliance including preparing tax computations and returns and seeking final tax clearance prior to closure 	<ul style="list-style-type: none"> Required by statute

Appendix C: Dividends

All interim dividends paid to Unsecured Creditors to date are detailed below:

Dividend	Date	Pence in the Pound	Value Distributed £
First	14-Nov-13	16.10	115,966,121.86
Second	15-May-14	4.70	33,853,464.16
Third	23-Sep-14	3.30	23,807,835.49
Fourth	02-Sep-15	3.00	21,613,371.39
Fifth	07-Jun-16	3.43	24,710,088.83
Sixth	22-Feb-17	1.35	9,725,541.18
Seventh	24-Apr-18	43.70	314,819,370.22
Eighth	01-Aug-18	3.22	23,197,216.77
Ninth	15-Jan-19	2.58	18,586,592.40
Tenth	10-Sep-19	1.55	11,166,362.10
Eleventh	30-Jan-20	2.60	18,730,671.91
		85.53	616,176,636.31

Pursuant to the Compromise Arrangement, cash available for distribution was distributed to the Mable Creditors in agreed proportions totalling c.£13.3m on 13 April 2021.

During the Period, a further £979.36 was paid to LBIE under the terms of the Compromise Arrangement.

Appendix D: Other information

Court details for the administration:	High Court of Justice, Chancery Division, Companies Court – case 8211 of 2008
Company's registered name:	Mable Commercial Funding Limited
Trading name:	Mable Commercial Funding Limited
Registered number:	2682316
Registered address:	7 More London Riverside, London SE1 2RT
Date of the joint administrators' appointment:	23 September 2008
Joint administrators' names, addresses and contact details:	AC Grant, DJ Kelly, EJ Macnamara, GE Bruce and DY Schwarzmann of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT Tel: +44 (0) 20 7583 5000
Extensions to the initial period of appointment:	The Court has granted five successive extensions to the Administration periods being 30 November 2010, 30 November 2011, 30 November 2016, 30 November 2022 and 30 November 2025.
