

Joint Administrators' progress report from 23 March 2024 to 22 September 2024

Mable Commercial Funding Limited
(in administration)

High Court of Justice, Chancery Division, Companies Court
Case no. 8211 of 2008

22 October 2024



Strictly private and confidential

Table of contents

Abbreviations and definitions	3
Section 1: Introduction	4
Section 2: Administrators' actions to date	5
Appendix A: Receipts and payments	7
Appendix B: Remuneration and expenses update	9
Appendix C: Other information	11

Important Notice

This report has been prepared by Alison Campbell Grant, David James Kelly, Edward John Macnamara, Gillian Eleanor Bruce and Dan Yoram 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 person 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.

Alison Campbell Grant, David James Kelly, Edward John Macnamara, Gillian Eleanor Bruce and Dan Yoram 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>

The Joint Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Joint Administrators.

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Abbreviations and definitions

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

Abbreviation or definition	Meaning
Administrators	Alison Campbell Grant, David James Kelly, Edward John Macnamara, Gillian Eleanor Bruce and Dan Yoram Schwarzmann of PricewaterhouseCoopers LLP
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
FCA	Financial Conduct Authority
Firm / PwC	PricewaterhouseCoopers LLP
HMRC	HM Revenue and Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
LBHI	Lehman Brothers Holdings Inc.
LBIE / LBIE Administration	Lehman Brothers International (Europe) - in administration
LBIE Administrators	Alison Campbell Grant, David James Kelly, Edward John Macnamara and Gillian Eleanor Bruce
Mable / the Company / the Administration	Mable Commercial Funding Limited - in administration
Mable Creditors / Creditors / Company's Creditors	Parties with creditor claims admitted by Mable as at the date of this report
PML	Preferred Mortgages Limited
Reporting Period	23 March 2024 to 22 September 2024
Sch. B1 IA86	Schedule B1 to the Insolvency Act 1986
SIP9	Statement of Insolvency Practice 9
SPML	Southern Pacific Mortgage Limited
Unsecured Creditors	Creditors who are neither secured nor preferential

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/non-lbie-companies/mable-commercial-funding-limited-in-administration.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.

Outcome for 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.

Details regarding the interim dividends paid to Unsecured Creditors to date can be found in Appendix A.

Why we remain in office

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

- Transfer of Mable's remaining known asset, being its claim against LBHI, to LBIE in accordance with provisions in the Compromise Arrangement, to allow closure of the Administration;
- Resolving the remaining charge registered at Companies House;
- Monitoring future realisations due to LBIE under the SPML/PML share sale agreement;
- Compliance with tax and VAT matters;
- Compliance with statutory tasks; and
- Ending the Administration in an orderly fashion.

Further details are contained within the body of this report.

What you need to do

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

This report and future updates

We are preparing to end the Administration now that the shares in the trading subsidiaries have been sold.

We will post our next formal report to the website at the end of the Administration or in approximately six months, whichever is sooner.

If you have any questions, please contact the Administrators at generalqueries@lbia-eu.com.

Signed



Alison Grant
Joint Administrator
Mable Commercial Funding Limited - in administration

Section 2: Administrators' actions to date

Background

As set out in our previous reports, 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 retained legal title to its interests in SPML and PML. However, pursuant to the Compromise Arrangement, a bare trust had been declared, such that the shares in SPML and PML were beneficially owned by LBIE.

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

- Realisation of assets and subsequent distributions in relation to Mable's remaining known asset, being its claim against LBHI;
- Ensure payments from LBHI to LBIE are made in line with the Compromise Arrangement, as funds permit;
- Progress the sale of Mable's trading subsidiaries SPML and PML;
- 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 closure of the Administration and dissolution of the Company.

Progress made in the Reporting Period

Asset realisations

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 totalled c.\$16,415 (c.£12,598) and were received on 4 April 2024. A further receipt of c.\$2,861 (c.£2,182) was received from LBHI shortly after the end of the Reporting Period. These amounts have been distributed directly to LBIE in accordance with the Compromise Arrangement.

Sale of PML/SPML

During the Reporting Period, the Administrators finalised discussions with the party interested in acquiring Mable's solvent trading subsidiaries, SPML and PML, and on 21 June 2024 the Administrators of Mable and LBIE entered into a Share Sale Agreement ("SPA") with the existing management team of SPML and PML, subject to certain conditions being met (including seeking FCA consent for change in ownership). The FCA granted approval on 7 August 2024 and the sale of the shares was completed on 9 August 2024. Initial consideration of £0.5m has been received, with further amounts due on future dates.

Before proceeding with this connected party transaction with the management team, alternative options were considered, including potential sale to other interested parties. Firm offers were received from interested parties and the Administrators accepted the most competitive one. LBIE's Operating Committee was kept informed throughout the disposal process.

SPML and PML paid further dividends of £1.5m in the Reporting Period bringing total recoveries from dividends and the share sale to £16.5m since the Compromise Arrangement. All funds have been paid directly to LBIE.

A payment was made to LBHI by LBIE in relation to the SPML and PML dividends received, pursuant to the Compromise Arrangement whereby LBIE has agreed to pay a percentage of dividends received above an agreed threshold amount to LBHI.

Other matters

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

If you wish to see more information regarding the progress of the LBIE administration please see the LBIE progress report at:

<https://www.pwc.co.uk/services/business-restructuring/administrations/lehman/lehman-brothers-international-europe.html>

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 22 September 2024, together with a cumulative total since the beginning of the Administration. As detailed above, all receipts and payments have been paid directly to or from LBIE as Mable's bank accounts are now closed.

Administrators' fees and expenses

An update on the Administrators' remuneration, which covers the Administrators' fees, disbursements and other related matters in this case, is set out at Appendix B. All remuneration and disbursements pertaining to work on this estate are the responsibility of LBIE, and as such, are 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/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 case administrator on 0113 289 4000 or by emailing generalqueries@lbia-eu.com.

Appendix A: Receipts and payments

Receipts and Payments to 22 September 2024	As at 22 March 2024 (GBP equivalent)	Movements from 23 March 2024 to 22 September 2024 (GBP equivalent)	As at 22 September 2024 (GBP equivalent)
RECEIPTS	£ 000's	£ 000's	£ 000's
Loan repayments and subsidiary dividends	371,236	-	371,236
Book debts	165,912	-	165,912
Legal fees	4	-	4
Corporation tax repayments	27,131	-	27,131
VAT repayments	1,675	-	1,675
Refund of professional fees	105	-	105
Foreign currency conversions	13,248	-	13,248
Payment for group losses surrendered	-	-	-
Principal and interest on mortgage assets	84,981	-	84,981
Income from investments	1,237	-	1,237
Receipts Grand Totals	665,529	-	665,529
PAYMENTS			
Building and occupancy costs	663	-	663
Payroll and employee costs	1,574	-	1,574
Legal fees	2,617	-	2,617
Insurance premiums	289	-	289
Administrators' remuneration	16,025	-	16,025
Administrators' disbursements	78	-	78
Foreign currency conversions	14,439	-	14,439
Other professional fees	362	-	362
Distributions to Unsecured Creditors	629,482	-	629,482
Payments Grand Totals	665,529	-	665,529
NET POSITION	-	-	-

Notes to the receipts and payments account

1. During the course of the Administration Mable required EUR and USD accounts to facilitate the receipt of loan repayments, dividends and book debts. However, 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 payments, receipts, remuneration and expenses pertaining to work on this estate are the responsibility of LBIE and as such, are managed by LBIE under the terms of the Compromise Arrangement.
2. Amounts shown include VAT.
3. As advised previously, all bank and investment accounts held by the Company have been closed.
4. 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.
5. 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.

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

Distributions to Unsecured Creditors

Dividends	Date	Pence in the Pound	Value Distributed £
First	14-Nov-13	16.10	115,966,121.85
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	24,710,078.73
Sixth	22-Feb-17	1.35	9,725,541.17
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	18,586,589.82
Tenth	10-Sep-19	1.55	11,166,362.10
Eleventh	30-Jan-20	2.60	18,730,671.92
Total dividends		85.53	616,176,623.62
Payments under the Compromise Arrangement	13-Apr-21	n/a	13,305,624.62
Total distributions to Unsecured Creditors			629,482,248.24

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.

Subsequently LBIE has received £16.5m in respect of SPML and PML under the terms of the Compromise Arrangement including both distributions and initial share sale proceeds.

During the Reporting Period, a further c.\$16,415 (c.£12,598) was paid to LBIE under the terms of the Compromise Arrangement as the LBHI twenty-eighth distribution and a payment was made to LBHI from LBIE in relation to the PML and SPML dividends received.

Appendix B: Remuneration and expenses update

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

The LBIE progress reports are available for your review at

<https://www.pwc.co.uk/services/business-restructuring/administrations/lehman/lehman-brothers-international-europe.html>

We set out later in this Appendix details of our work in the Reporting Period and anticipated future work.

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.

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.

Details of subcontracted work

There was no subcontracted work in the Reporting Period.

Work undertaken in the Reporting Period

The following table provides a high level description of the key areas of work undertaken in the period.

Category	Description of tasks
Realisation of assets and resolution of subsidiaries Work done in relation to ongoing assets (including SPML and PML) is performed to help realise any distributions or value for the benefit of LBIE under the Compromise Arrangement	<ul style="list-style-type: none">• Monitored the progress and risks associated with the strategy of asset management and realisation• Monitored receipt of further distributions relating to claims Mable has into other Lehman estates and the trading subsidiaries• Held monthly meetings with the employees of SPML and PML• Continued to receive and review forecasts from SPML and PML on timing and quantum of dividend• Discussions continued with management and legal advisors in relation to exit plans for the entities• Progressed and finalised the sale of the shares in SPML and PML
Statutory and other compliance This relates to work the Administrators undertake in order to ensure compliance with statutory and regulatory requirements.	<ul style="list-style-type: none">• Prepared and distributed six monthly progress reports and carry out other statutory and compliance functions• Statutory six monthly review held by Administrators• Ensured compliance with all other statutory and governance issues• Updated PwC internal databases
Strategy and planning The Administrators and their staff continued to review their strategy for the progression and resolution of the Administration, for the ultimate benefit of LBIE.	<ul style="list-style-type: none">• Team meetings held to resolve the ongoing tasks required in the Mable Administration
Tax and VAT Work reported in this category includes compliance with tax legislation under the Administrators' statutory obligations.	<ul style="list-style-type: none">• Submitted the tax return for year ended 13 April 2023• Prepared and submitted quarterly VAT returns• Removed SPML and PML for the Lehman VAT group with effect from 8 August 2024• Provided advice on the sale of Mable's trading subsidiaries, SPML and PML

Future work

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

All costs for current and future work will be determined by the fee agreements with the LBIE Operating Committee and reported as part of the LBIE Administrators remuneration, as such no estimates for future costs will be provided.

Category	Description of tasks
Realisation of assets and resolution of subsidiaries	<ul style="list-style-type: none">• Transfer of Mable's claim in LBHI to LBIE• Monitor any potential further income in relation to the sale of Mable's trading subsidiaries, SPML and PML
Statutory and compliance	<ul style="list-style-type: none">• Carry out statutory and compliance functions• Deal with necessary closure requirements including preparation and distribution of a final report
Strategy and planning	<ul style="list-style-type: none">• Team meetings to resolve the ongoing statutory tasks required to conclude the Mable Administration• Work with internal and external teams to execute our strategy for the closure of the Administration
Tax and VAT	<ul style="list-style-type: none">• Tax and VAT compliance including preparing final tax computations and returns prior to closure

The Administrators caution that the closure of the Administration and actual future work may be impacted by unforeseen matters. The Administration is extended to 30 November 2025, however, that timeframe may be shortened or lengthened depending on how the above matters are ultimately resolved.

Appendix C: Other information

Court details for the administration:	High Court of Justice, Chancery Division, Companies Court - Court Case Court Case No.
Company's registered name:	Mable Commercial Funding Limited
Trading name:	Mable Commercial Funding Limited
Registered number:	268316.
Registered address:	7 More London Riverside, London, SE1 2RT, United Kingdom
Date of the administration appointment:	23 September 2008
Joint Administrators' names, addresses and contact details:	Alison Campbell Grant, David James Kelly, Edward John Macnamara, Gillian Eleanor Bruce and Dan Yoram Schwarzmann of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT Email: generalqueries@lbia-eu.com
Changes in Administrator:	<p>On 23 September 2008, Graham Hunter Martin, Michael John Andrew Jervis, Anthony Victor Lomas, Steven Anthony Pearson and Dan Yoram Schwarzmann were appointed as Joint Administrators</p> <p>On 30 November 2009, Derek Anthony Howell replaced Graham Hunter Martin as one of the Joint Administrators</p> <p>On 22 March 2013, Julian Guy Parr was appointed as one of the Joint Administrators after Michael John Andrew Jervis and Derek Anthony Howell resigned</p> <p>On 16 July 2018, Anthony Victor Lomas, Steven Anthony Pearson and Julian Guy Parr ceased to act as Joint Administrators and were replaced by Russell Downs, Edward John Macnamara and Gillian Eleanor Bruce as Joint Administrators</p> <p>On 30 November 2021, Alison Campbell Grant and David James Kelly replaced Russell Downs as Joint Administrators</p>
Extension(s) 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
