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Joint administrators' twenty-fifth  
progress report for the period from  
23 September 2020 to 22 March  
2021

**Mable Commercial Funding  
Limited (in administration)**

19 April 2021

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

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# Abbreviations and definitions

Abbreviation or Definition	Meaning
“Acenden”	Acenden Limited (formerly known as Capstone Mortgage Services Limited)
“Administrators”	DY Schwarzmann, EJ Macnamara, GE Bruce and R Downs
“Administration”	Mable’s administration
“Compromise Arrangement”	In order to expedite recoveries from Mable’s estate, certain of the Mable Creditors put forward a proposal for the transfer of certain of the Mable Assets together with the distribution of the Mable Assets that are not transferred in agreed proportions
“Court”	The High Court of Justice
“CURL”	Consumer Unsecured Reperforming Loan PLC
“Eldon Street”	Eldon Street Holdings Limited (in administration)
“FCA”	Financial Conduct Authority
“Firm”	PricewaterhouseCoopers LLP
“Group”	Lehman Brothers UK group
“HMRC”	HM Revenue and Customs
“IM”	Information Memorandum
“IR16”	Insolvency (England & Wales) Rules 2016
“IA86”	Insolvency Act 1986
“LBH”	Lehman Brothers Holdings Plc (in administration)
“LBHI”	Lehman Brothers Holdings Inc. (Chapter 11)
“LBHI2”	LB Holdings Intermediate 2 Limited (in administration)
“LBIE”	Lehman Brothers International (Europe) (in administration)
“LBL”	Lehman Brothers Limited (in administration)
“Mable” or the “Company”	Mable Commercial Funding Limited (in administration)
“Mable Creditors”	Parties with admitted creditor claims by Mable as at the date of this report
“Mortgage Assets”	Mortgage loan assets, bonds and residual interests in securitisation structures held by Mable’s subsidiaries
“NOID”	Notice of Intended Dividend
“Period”	The six months from 23 September 2020 to 22 March 2021
“PML”	Preferred Mortgages Limited
“Preferential creditors”	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
“Proposals”	The Administrators’ statement of proposals for achieving the purpose of the Administration, dated 12 November 2008
“Resetfan”	Resetfan Limited
“Secured creditors”	Creditors with security in respect of their debt, in accordance with section 248 IA86
“SIP”	Statement of Insolvency Practice
“SPML”	Southern Pacific Mortgages Limited
“Storm”	Storm Funding Limited (in administration)
“unsecured creditors”	Creditors who are neither secured nor preferential
“VAT”	Value Added Tax

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# Key messages

## *Why we have sent you this report*

This is the twenty-fifth progress report by the Administrators of the Company.

Creditors should have received the Proposals approved at a meeting of creditors held on 27 November 2008 and the Administrators' 24 previous progress reports. All earlier reports are available on our website at <https://www.pwc.co.uk/services/business-recovery/administrations/non-lbie-companies/mable-commercial-funding-limited-in-administration.html>.

This report provides an update on the work the Administrators have undertaken and the progress made since their appointment with particular focus on the progress made in the Period.

## *How much creditors may receive*

### *Compromise Arrangement*

The quantum of future proceeds from Mable's known assets is uncertain with realisations expected to occur over a long period. In order to expedite recoveries from Mable's estate, certain of the Mable Creditors put forward a proposal for the transfer of certain of the Mable Assets together with the distribution of the Mable Assets that are not transferred in agreed proportions (the "Compromise Arrangement").

The Compromise Arrangement (which was unanimously supported by the Mable Creditors and is consistent with the purpose of Mable's administration) was executed on 13 April 2021 and is discussed in greater detail later in this report.

### *Interim dividends paid to date*

On 24 June 2013, the Court made an order pursuant to paragraph 65(3) of Schedule B1 to IA86 granting permission for the Administrators to make distributions to unsecured creditors.

The Administrators have paid eleven interim dividends totalling 85.53 pence in the pound on admitted claims. Cumulative distributions to date total £616.2m.

We set out in Appendix D a list of the dividends paid to date. No interim dividends were paid in the Period.

Pursuant to Rule 14.29 of IR16, a notice of an intended dividend was sent to Mable's known creditors on 18 September 2020.

In order to facilitate the Compromise Arrangement, on 15 December 2020 the Administrators gave notice of the cancellation of the intended dividend to the Mable Creditors, following discussions with certain of the Mable Creditors.

It is expected that any further distributions to the Mable Creditors will be effected in accordance with the terms of the Proposed Compromise Arrangement (with the unanimous support of the Mable Creditors).

## *What you need to do*

If you have not already done so, please send your claim to us so that we can agree it. A claim form can be downloaded from our website at <https://www.pwc.co.uk/services/business-recovery/administrations/non-lbie-companies/mable-commercial-funding-limited-in-administration.html> or you can obtain one by telephoning Saba Mir on +44 7841 467382.

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# *Overview of what we have done to date*

## *Claims agreement*

Mable received 21 claims from unsecured creditors. Six claims were subsequently withdrawn and 15 claims with a total value of £720m have been admitted for dividend. The largest admitted claim is from LBIE, at £598m.

## *Mortgage Assets*

Mable's interests in the Mortgage Assets largely comprise the equity held in the Mable sub-group, principally SPML and PML, who have undertaken transactions to release value from a number of securitisation structures in which they held residual interests and receive quarterly cash flows from the securitisations where residual interests are held. Pursuant to the Compromise Arrangement, a bare trust has been declared by Mable over its shareholding in SPML and PML, such that the Mortgage Assets are now beneficially owned by LBIE.

During the Period, dividends of £5m and £1.5m were received from SPML and PML respectively and, as a result, the total dividends from these two subsidiaries total £345m.

## *Compromise Arrangement*

As mentioned earlier in this report, in order to expedite recoveries from Mable's estate, certain of the Mable Creditors put forward a proposal for the transfer of certain of the Mable Assets together with the distribution of the Mable Assets that are not transferred in agreed proportions.

## *CURL*

Within the assets transferred from Resefan to Mable as part of the past restructuring process, and the sale of Acenden in 2015, was the right to receive certain deferred consideration from Storm in relation to CURL. During the Period the final amounts due from Storm of £199k were settled and no further amounts are due to Mable in relation to CURL.

## *Taxation*

All corporation tax returns up to and including the year ended 22 September 2019 have been submitted to HMRC. No further significant corporation tax refunds are envisaged for pre-appointment periods over and above the £27.1m already recovered.

To date, Mable has received VAT repayments totalling £1.7m.

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# *Progress since we last reported*

The key developments in the Period are described below.

## *Mortgage Assets*

Pursuant to the Compromise Arrangement, a bare trust has been declared by Mable over its shareholdings in SPML and PML, such that the Mortgage Assets are now beneficially owned by LBIE.

## *Restructuring of subsidiaries*

As previously reported, as part of the restructuring process, Mable acquired the right to receive deferred consideration amounts from Storm in respect of the CURL asset held by Acenden.

Mable has been receiving periodic receipts dependent on the after-tax profits of the securitised loan portfolio sold as part of the restructuring process. In the Period, Mable received final proceeds of £199k with regards to CURL. The agreement has now been concluded and no further receipts are due.

## *Compromise Arrangement*

During the Period, Mable's creditors negotiated a compromise which provided for the transfer of the majority of Mable's assets to LBIE, Mable's largest creditor, including the creation of a trust in favour of LBIE over Mable's shares in SPML and PML, and an agreement for the distribution of the remaining assets. All of the Mable Creditors, with the exception of LBIE, also agreed to subordinate their claims in Mable's estate to LBIE's claims in Mable's estate. This arrangement was concluded on 13 April 2021, shortly after the Period.

## *Debtors*

As creditors will recall, Mable's total claims against various Lehman US affiliates were agreed pursuant to the Joint Chapter 11 Plan dated December 2011 at \$19.7m. To date, Mable has received distributions totalling \$7.2m, of which \$13k was received on 1 October 2020.

On 29 July 2013 Storm admitted Mable's claim of £366m. To date, Mable has received dividends from Storm totalling £153.7m. No further distributions were received in the Period.

On 8 October 2013, Eldon Street admitted Mable's claim of £7.1m. To date, Mable has received dividends totalling £3.4m of which £65k was received on 23 February 2021.

On 31 October 2014, LBL admitted Mable's claim of £160k. To date, Mable has recovered 100 pence in the pound on this claim, plus statutory interest totalling £28.7k. No further distributions were received in the Period. Approximately £85k was received shortly after the expiry of the Period.

All of Mable's claims against its debtors have been transferred to LBIE, pursuant to the Compromise Arrangement, with the exception of Mable's claim against LBHI, which has been retained and is expected to fund future creditor distributions, which will be paid to the Mable Creditors in accordance with the terms of the Compromise Arrangement.

## *Taxation*

All corporation tax returns up to and including the year ended 22 September 2019 have been submitted to HMRC.

The tax computation for the year ended 22 September 2020 is in the process of being prepared and will be submitted before the deadline of 22 September 2021.

The Administrators have complied with their obligations regarding the publication of the Lehman group Tax Strategy. The Administrators have also adhered to the UK and US Foreign Account Tax Compliance Act, Common Reporting Standards and the Senior Accounting Officer Regime. They have also considered their obligations under the Corporate Criminal Offence rules, which came into effect in September 2017.

A VAT repayment of £483 in relation to the 31 August 2020 VAT return and c.£35k in relation to the 30 November 2020 VAT return was received during the Period. Work has commenced to prepare the VAT return for the quarter ended 28 February 2021.

## *Connected Parties*

There have been no sales or transactions with connected parties of the Company during the Period. However, pursuant to the Compromise Arrangement, which was concluded shortly after the Period, the majority of the Mable Assets were transferred to (or are held on trust for) LBIE.

## *Investigations and actions*

Nothing has come to the Administrators' attention during the Period to suggest that they need to carry out any further work in connection with their duties under the Company Directors' Disqualification Act 1986 and SIP2.

## *Our receipts and payments account*

We set out in Appendix A an account of our receipts and payments in the Administration from 23 September 2020 to 22 March 2021, and cumulative receipts and payments from 23 September 2008 to 22 March 2021.

As advised earlier in the Administration, all of the Company's assets are uncharged, there being no secured creditors.

Significant receipts in the Period comprised:

- £5m in respect of a dividend from SPML;
- £1.5m in respect of a dividend from PML and
- £199k in respect of a dividend in relation to the CURL.

Significant payments made in the Period were:

- £340k (inclusive of VAT) in respect of Administrators' fees.
- £214k (inclusive of VAT) in respect of legal fees.

Total cash held as at 22 March 2021 was £13.6m.

## *Our expenses*

We set out in Appendix B a statement of the expenses we have incurred to the date covered by this report and an estimate of our future expenses.

## *Our fees*

The manner in which Administrators' remuneration is determined and approved is set out in the applicable insolvency legislation.

In accordance with the Proposals, as a creditors' committee was not formed, it is for the general body of creditors to agree the level of the Administrators' remuneration and Category 2 disbursements.

At a meeting held by correspondence on 20 September 2010, creditors, who voted unanimously, approved a resolution authorising the Administrators to draw remuneration on the basis of their time costs, Category 2 disbursements and VAT, from 1 July 2010 onwards, from time to time. In accordance with the resolution, the Administrators can draw remuneration 21 days from the day after circulating details to creditors.

On 20 October 2020, the fee analysis for the period from 1 March 2020 to 31 August 2020 was circulated to creditors. Fees of £340k (inclusive of VAT), in relation to this fee analysis, were settled on 23 November 2020. This brought the total amount of Administrators' remuneration to £15.7m (inclusive of VAT).

The Administrators expect to issue their fee analysis for the period 1 September 2020 to 22 March 2021 to creditors on or around 19 April 2021.

## *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:

<http://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/creditors-guide-administrators-fees-final.ashx?la=en>

This guide is for appointments on or after 1 November 2011 and whilst not all the provisions apply to this administration (which commenced 23 September 2008) it is the most appropriate guide currently available following the changes made by IR16.

You can also obtain a copy free of charge by telephoning Saba Mir on +44 7841 467382.

## *What we still need to do*

The Administrators will continue to:

- Work to effect realisations and distributions as expeditiously as possible in relation to Mable's remaining known asset, being its claim against LBHI;
- Continue to file tax and VAT returns and comply with other statutory obligations; and
- Make further payments to creditors as funds permit.



## Next steps

We continue to consider the best strategy for ending the Administration, taking into account asset realisations and tax implications.

We expect to send our next report to creditors in six months' time.

If you have any questions, please get in touch with John Baker on +44 7483 326661.

Yours faithfully  
For and on behalf of Mable Commercial Funding Limited



*DY Schwarzmann, EJ Macnamara, GE Bruce and R Downs were appointed as Joint Administrators (the "Administrators") of Mable to manage its affairs, business and property as agents without personal liability. DY Schwarzmann, EJ Macnamara, GE Bruce and R Downs are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

*DY Schwarzmann, EJ Macnamara, GE Bruce and R Downs may act as Data 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 DY Schwarzmann, EJ Macnamara, GE Bruce and R Downs. Personal data will be kept secure and processed only for matters relating to the Administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the Administrators.*

*The 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>.*

# Appendix A: Receipts and payments

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. Amounts include VAT where applicable.

## Mable Commercial Funding Limited

### Receipts and Payments to 22 September 2020

RECEIPTS	As at 22 March 2021			As at	Movements	As at 22 September	As at 22 September 2020 TOTAL GBP equivalent £
	GBP (£) 000's	EUR (€) 000's	USD (\$) 000's	22 March 2021 TOTAL GBP equivalent £	from 23 September 2020 to 22 March 2021 (GBP equivalent) £	2020 (GBP equivalent) RESTATED at 22 March 2021 exchange rate £	
Loan repayments and subsidiary dividends	364,634	7,677	-	371,246	6,700	364,546	364,999
Book debts	158,112	322	10,217	165,763	74	165,689	166,364
Legal Fees	-	5	-	4	-	4	5
Corporation Tax repayments	27,131	-	-	27,131	-	27,131	27,131
VAT repayments	1,675	-	-	1,675	35	1,640	1,640
Refund of professional fees	6	115	-	105	1	104	111
Foreign currency conversions	13,248	-	-	13,248	7	13,241	13,241
Payment for Group losses surrendered	-	-	-	-	-	-	-
Principal and interest on Mortgage Assets	84,896	-	-	84,896	-	84,896	84,896
Income from investments	1,231	6	-	1,236	3	1,233	1,233
<b>Receipts Grand Totals</b>	<b>650,932</b>	<b>8,125</b>	<b>10,217</b>	<b>665,304</b>	<b>6,820</b>	<b>658,484</b>	<b>659,620</b>
<b>PAYMENTS</b>							
Building and occupancy costs	663	-	-	663	-	663	663
Payroll and employee costs	1,574	-	-	1,574	-	1,574	1,574
Legal fees	2,538	-	49	2,573	214	2,359	2,359
Insurance premiums	289	-	-	289	-	289	289
Administrators' remuneration	15,714	-	-	15,714	340	15,374	15,374
Administrators' disbursements	54	-	-	54	-	54	54
Foreign currency conversions	-	8,125	10,168	14,336	7	14,329	15,461
Other professional fees	360	-	-	360	4	356	356
Distributions to unsecured creditors	616,177	-	-	616,177	-	616,177	616,177
<b>Payments Grand Totals</b>	<b>637,369</b>	<b>8,125</b>	<b>10,217</b>	<b>651,740</b>	<b>565</b>	<b>651,175</b>	<b>652,307</b>
<b>NET POSITION</b>	<b>13,565</b>	<b>(0)</b>	<b>(0)</b>	<b>13,564</b>	<b>6,255</b>	<b>7,309</b>	<b>7,313</b>
<b>CASH BALANCES</b>							
HSBC	13,564	-	-	13,564	-	-	-
Money markets	-	-	-	-	-	-	-
<b>Total Cash</b>	<b>13,564</b>	<b>-</b>	<b>-</b>	<b>13,564</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Exchange rate as at 22 September 2020

US\$ 1 : GBP 0.7861  
EURO €1 : GBP 0.9201

### Exchange rate as at 22 March 2021

US\$ 1 : GBP 0.7218  
EURO €1 : GBP 0.8612

Note: We set out in Appendix D a list of the dividends paid to date.

## Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as Administrators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the Period and the total paid to date. Where appropriate, expenses are shown inclusive of VAT.

	<b>Brought forward balance £ 000's</b>	<b>Incurred in the Period £ 000's</b>	<b>Cumulative £ 000's</b>	<b>Estimated future £ 000's</b>	<b>Anticipated total £ 000's</b>
Legal fees	2,407	163	2,569	91	<b>2,660</b>
Wages & salaries	1,574	-	1,574	-	<b>1,574</b>
Building and Occupancy Costs	663	-	663	-	<b>663</b>
Administrators' remuneration	15,717	274	15,991	604	<b>16,595</b>
Administrators' disbursements	53	24	77	3	<b>80</b>
Insurance	289	-	289	-	<b>289</b>
Other professional fees	354	4	359	150	<b>509</b>
	<b>21,057</b>	<b>465</b>	<b>21,522</b>	<b>788</b>	<b>22,310</b>

The anticipated total of Administrators' remuneration has increased by 24k as a result of Category 2 disbursements in relation to IT licences required in relation to the Deposition and Discovery Process work that was recently undertaken that was unforeseen in our budget.

The anticipated total of legal fees has been increased by £60k to reflect the recent work on the Compromise Arrangement that was not included in our original budget.

# Appendix C: Remuneration Update

## Our hours and average rates

The time cost charges incurred in the period from 23 September 2020 to 22 March 2021 are £228k (net of VAT).

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

Classification of work	Partner		Director		Senior Manager		Manager		Senior Associate		Associate		Offshore Professionals		Total		Average hourly rate by work type £
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	
Accounting and Treasury	1.80	1,719.00	0.20	168.00	7.50	4,687.50	1.40	763.00	10.55	4,507.50	7.55	1,622.50	4.50	1,102.50	33.50	14,570.00	434.93
Creditor Claims			1.80	1,512.00	1.40	875.00			7.00	3,150.00					10.20	5,537.00	542.84
Realisation of Assets			43.10	36,204.00	3.40	2,125.00			2.95	1,327.50					49.45	39,656.50	801.95
Review of SPML and PML			5.00	4,200.00	0.40	250.00	7.25	3,951.25							12.65	8,401.25	664.13
Statutory and Compliance	1.50	1,432.50	3.40	2,856.00	24.35	15,198.75	1.30	708.50	55.00	24,723.00			4.80	1,176.00	90.35	46,094.75	510.18
Strategy and Planning	2.00	1,910.00	28.50	23,940.00	29.35	18,343.75			41.85	18,832.50	4.75	1,330.00	3.90	955.50	110.35	65,311.75	591.86
Tax and VAT	7.50	10,387.50			6.90	6,167.50	9.65	6,851.50	48.63	24,765.70	1.00	232.50			73.68	48,404.70	656.96
<b>Total for period ended 22 March 2021</b>	<b>12.80</b>	<b>15,449.00</b>	<b>82.00</b>	<b>68,880.00</b>	<b>73.30</b>	<b>47,647.50</b>	<b>19.60</b>	<b>12,274.25</b>	<b>165.98</b>	<b>77,306.20</b>	<b>13.30</b>	<b>3,185.00</b>	<b>13.20</b>	<b>3,234.00</b>	<b>380.18</b>	<b>227,975.95</b>	<b>599.65</b>
<b>Average Hourly rate for the period</b>		<b>1206.95</b>		<b>840.00</b>		<b>650.03</b>		<b>626.24</b>		<b>465.76</b>		<b>239.47</b>		<b>245.00</b>		<b>599.65</b>	
<b>Cumulative total to 22 March 2021</b>															<b>20,253.31</b>	<b>12,857,256.80</b>	

All figures are net of VAT

## *Our time charging policy and hourly rates*

We and our team charge our time for the work we need to do in the Administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the Administration (including our cashiers) 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 our support and secretarial staff is charged for 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). We do not charge general or overhead costs.

As of 1 March 2020, we have been charging PwC rates per hour in line with the respective rate cap in operation on certain other PwC controlled Lehman estates, including LBH, LBHI2 and LBIE across all our teams.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the Administration. We call on colleagues in our Tax and VAT departments where we need their expert advice. The following are the maximum rates by grade per hour:

Grade	From 1 July 2020	
	£	
	Administration	Tax / VAT
Partner	985	1,385
Director	870	1,275
Senior manager	625	975
Manager	545	710
Senior associate	450	520
Associate	280	285
Support staff	155	180
Offshore Professionals	245	N/A

## Our work in the Period

Earlier in this section, we have included an analysis of the time spent by the various grades of staff.

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work.

Area of work	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 & treasury	<ul style="list-style-type: none"> <li>Monitoring of the funds held and investing surplus cash</li> <li>Preparing and reviewing the receipts and payments report</li> <li>Updating treasury systems and organising bonding</li> </ul>	<ul style="list-style-type: none"> <li>To monitor the funds held within the company</li> </ul>	<ul style="list-style-type: none"> <li>Required by statute</li> <li>Manage risk of loss through credit default</li> </ul>
Creditor claims	<ul style="list-style-type: none"> <li>Ongoing updates to the estimated final outcome statement</li> <li>Responding to creditor queries</li> <li>Preparation to pay a twelfth interim dividend</li> <li>Finalising cancellation of the notice of intended dividend</li> </ul>	<ul style="list-style-type: none"> <li>To assess whether a further distribution to creditors was feasible</li> <li>To maximise returns to creditors</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing assessment of the estimated returns due to creditors</li> <li>Sufficient recoveries were made to enable an interim dividend</li> </ul>
Realisation of Assets	<ul style="list-style-type: none"> <li>Investigation and planning for the execution of additional value maximisation and strategies in respect of SPML/PML mortgage assets, including potential dividend payments</li> <li>Discussions, strategy and negotiations with SPML and PML management regarding contingency plans in light of COVID developments</li> <li>Reaching settlement with Storm regarding the recovery of £199k in relation to the CURL and concluding the agreement</li> </ul>	<ul style="list-style-type: none"> <li>To realise maximum value for the creditors</li> </ul>	<ul style="list-style-type: none"> <li>Increase value of dividends paid</li> </ul>
Review of SPML and PML	<ul style="list-style-type: none"> <li>Continued investigation of exit options for SPML and PML, following an unsuccessful marketing process for the sale of the businesses</li> <li>Initial conversations with a specialist party to diligence the business</li> </ul>	<ul style="list-style-type: none"> <li>To realise maximum value for the creditors</li> </ul>	<ul style="list-style-type: none"> <li>Increase value of dividends paid</li> </ul>

- Working with SPML/PML management to ensure business continuity to maintain business as usual operations during COVID lockdown
- Ensuring Plan B interim run-off structure for SPML and PML implemented to meet key stakeholder interests and maximise value for creditors including ongoing assessment of future dividend payment timescales

Statutory & compliance	<ul style="list-style-type: none"> <li>• Preparing and distributing six monthly progress reports and fee packs</li> <li>• Six monthly review by all Joint Administrators</li> <li>• Ensuring compliance with all other statutory and governance issues</li> <li>• Updating compliance database and PwC internal databases</li> <li>• Considering steps required in relation to the potential release of a German land charge</li> </ul>	<ul style="list-style-type: none"> <li>• To enable reporting to all creditors</li> <li>• To ensure that the correct practice was applied to the estate</li> <li>• To ensure that all changes are compliant with legal and ethical regulations and that systems are updated accordingly</li> </ul>	<ul style="list-style-type: none"> <li>• Required by statute and professional guidelines</li> </ul>
Strategy & Planning	<ul style="list-style-type: none"> <li>• Setting and agreeing the strategy for the estate – regular meetings of the team, liaising with other Lehman teams</li> <li>• Reviewing and authorising legal and other third-party billings</li> <li>• Updating Mable’s webpage to inform creditors of the progress made on the estate</li> <li>• Preparing and finalising update notes for strategy meetings</li> <li>• Working with the lawyers on factual information regarding Mable’s assets and liabilities required in relation to the Compromise Arrangement between Mable’s creditors</li> <li>• Review and input regarding the Compromise Arrangement</li> </ul>	<ul style="list-style-type: none"> <li>• To discuss and agree future actions</li> <li>• To inform creditors of the progress made on the estate</li> </ul>	<ul style="list-style-type: none"> <li>• Maximise efficiency of work undertaken</li> </ul>
Tax & VAT	<ul style="list-style-type: none"> <li>• Preparation of the corporation tax computation for the year ended 22 September 2020</li> </ul>	<ul style="list-style-type: none"> <li>• To remain as tax efficient as possible</li> </ul>	<ul style="list-style-type: none"> <li>• Maximising tax recoveries to creditors</li> <li>• Mitigate tax leakage</li> </ul>

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- Preparation and submission of the quarterly VAT returns for August 2020 and November 2020.
  - Ensuring adherence to all relevant tax regulations and compliance standards
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- Statutory obligations to file returns and adhere to UK regulatory obligations.



## Our future work

As mentioned earlier in our report, we continue to consider the best strategy for ending the Administration, taking into account asset realisations and tax implications.

We still need to do the following work to achieve the purpose of the administration. Should our strategy need to change, following consultation with key stakeholders, this will have an impact on the level of our work and estimated future costs.

Area of work	Work we need to do	Net estimated cost £'000	Whether or not the work will provide a financial benefit to creditors
Accounting & treasury	<ul style="list-style-type: none"> <li>Accounting and treasury functions including those outlined in the summary above</li> </ul>	100	<ul style="list-style-type: none"> <li>Required by statute</li> </ul>
Creditor claims	<ul style="list-style-type: none"> <li>Distribution of future available funds to creditors with admitted claims</li> <li>Distribution of future available funds to LBIE / any newly admitted creditors and, thereafter (to the extent funds remain), the other Mable Creditors</li> </ul>	137	<ul style="list-style-type: none"> <li>Return of funds to creditors</li> </ul>
Realisation of Assets	<ul style="list-style-type: none"> <li>Monitoring the progress and risks associated with the strategy of asset management and realisation</li> </ul>	115	<ul style="list-style-type: none"> <li>Increase value of dividends paid</li> </ul>
Review of SPML and PML	<ul style="list-style-type: none"> <li>Continue to explore options for SPML &amp; PML with internal and external stakeholders</li> </ul>	12	<ul style="list-style-type: none"> <li>Streamline company structure to be more efficient</li> <li>Increase value of dividends paid</li> </ul>
Statutory & compliance	<ul style="list-style-type: none"> <li>Preparing and distributing six monthly progress reports, fee packs and carrying out other statutory and compliance functions</li> </ul>	120	<ul style="list-style-type: none"> <li>Required by statute and professional guidelines</li> </ul>
Strategy & Planning	<ul style="list-style-type: none"> <li>Setting and agreeing the strategy for the estate – regular meetings of the team, liaising with other Lehman teams</li> <li>Updating Mable's webpage to inform creditors of the progress made on the estate</li> </ul>	50	<ul style="list-style-type: none"> <li>Maximise efficiency of work undertaken</li> </ul>
Tax & VAT	<ul style="list-style-type: none"> <li>Tax and VAT compliance including preparing tax computations and returns and</li> </ul>	70	<ul style="list-style-type: none"> <li>Maximising tax efficiency on recoveries for creditors</li> <li>Statutory returns</li> </ul>

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seeking final tax clearance prior  
to closure

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## *Disbursements*

The Administrators are not required to seek approval to draw expenses or disbursements unless they are for shared or allocated services provided by their own Firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called “Category 2” disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation and approved by the same parties that approve their fees.

Category 1 disbursements comprise payments to third parties, for example in relation to travel costs, statutory advertising and insolvency office holders’ insurance.

The Administrators’ expenses policy allows for all properly incurred expenses to be recharged to the Administration.

Category 2 disbursements in relation to IT charges totalling £5 were incurred during the Period.

An amount of approximately £24k has also been incurred in relation to IT charges with regards to the Deposition and Discovery Process discussed in the previous report. The cost is largely calculated by reference to data volumes with a small licence charge.

## *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.

No payments were made to any associates in the Period.

## *Details of subcontracted work*

Mable has contracted out tax services to the Lehman finance team whose employer is LBIE. This work has been subcontracted because it is more cost efficient than if the Administrators were to do it themselves.

## *Legal and other professional firms*

The Administrators have instructed Linklaters LLP to act as their legal advisors in the Period because of their prior knowledge of Mable. Linklaters LLP is remunerated on a time-cost basis.

The principle areas of work undertaken by Linklaters LLP in the Period were legal support in relation to the Compromise Arrangement.

All third party professionals are required to submit a detailed time-cost analysis and narrative in support of all invoices rendered. The Administrators have satisfied themselves that the level of legal and professional costs is appropriate.

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## ***Appendix D: Dividends***

All interim dividends paid to unsecured creditors to date are detailed below:

<b>Dividend</b>	<b>Date</b>	<b>Pence in the Pound</b>	<b>Value Distributed £</b>
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
		<b>85.53</b>	<b>616,176,636.31</b>

As mentioned earlier in this report, no interim dividends were paid in the Period.

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## ***Appendix E: Other information***

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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:	DY Schwarzmann, EJ Macnamara, GE Bruce and R Downs of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT <a href="mailto:uk_mable_claims@pwc.com">uk_mable_claims@pwc.com</a> +44 (0) 20 7583 5000
Extension(s) to the initial period of appointment:	The Court has granted four successive extensions to the Administration period being to 30 November 2010, 30 November 2011, 30 November 2016 and 30 November 2022.

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