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

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

20 October 2020

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

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

<b>Abbreviation or Definition</b>	<b>Meaning</b>
“Acenden”	Acenden Limited (formerly known as Capstone Mortgage Services Limited)
“Administrators”	DY Schwarzmann, EJ Macnamara, GE Bruce and R Downs
“Administration”	Mable’s administration
“CURL”	Consumer Unsecured Reperforming Loan PLC
“Court”	The High Court of Justice
“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)
“Mortgage Assets”	Mortgage loan assets, bonds and residual interests in securitisation structures held by Mable’s subsidiaries
“NDA”	Non Disclosure Agreement
“NOID”	Notice of Intended Dividend
“PAG”	The Firm’s Portfolio Advisory Group
“Period”	The six months from 23 March 2020 to 22 September 2020
“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-fourth 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' 23 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

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.

On 18 September 2020 the Administrators issued a Notice of Intended Dividend to all known creditors who have not yet proved their debt stating a last date for proving of 18 October 2020. A twelfth interim dividend is expected to be paid, outside of the Period, within two months of the last date for proving.

The timing and quantum of potential future dividends is largely dependent on realisations from the remaining Mortgage Assets as part of Mable's asset realisation strategy, which may be impacted by the implications of COVID-19 as discussed later in this report.

<b>Class of creditor</b>	<b>Current estimate (p in £)</b>	<b>Previous estimate (p in £)</b>
Secured creditors	n/a	n/a
Preferential creditors	n/a	n/a
Unsecured creditors	*85.5 - 86.9	85.5 - 86.9

*\*Please note this guidance on dividends is only an estimate. Creditors should therefore exercise caution in relying on these figures and all estimates included in this report for any purpose. The Administrators will not be responsible for any losses incurred in relation to these estimates.*

## 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*

The Administrators continued to implement a hold strategy for the Mortgage Assets, with specialist input from PAG on an ad hoc basis, in assessing options to maximise value from these 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. The Administrators continue to monitor, together with the SPML and PML team, opportunities to undertake transactions for the benefit of Mable's creditors.

No further dividends were received from SPML and PML during the Period, and as a result the total dividends from these two subsidiaries remained at £338.5m. It is anticipated that £5m will be received from SPML and £1.5m will be received from PML during October 2020.

## *Restructuring of subsidiaries*

The main objectives of the restructuring of the Mable sub-group were to simplify the group, reduce operating costs, minimise tax leakage and accelerate cash repatriation to Mable. This is discussed further in the next section.

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# *Progress since we last reported*

The key developments in the Period are described below.

## *Mortgage Assets*

The Administrators continue to review and monitor the performance of the Mortgage Assets, in particular, developments with COVID-19 and its potential impact on cashflows and the portfolio values.

The Administrators have had a number of meetings with the SPML and PML management team to discuss the subsidiaries and the potential timing for further value realisation. The companies have benefited from purchasing tax losses from the wider Lehman group in order to shelter taxable profits and during the Period received refunds of corporation tax paid. As a result of these tax refunds and the ongoing collection of quarterly cashflows from the mortgage assets it is anticipated that £5m will be received from SPML and £1.5m will be received from PML during October 2020.

## *Review of SPML and PML*

The Administrators continued to explore exit options for SPML and PML, following an earlier unsuccessful marketing process for the sale of the businesses. Exclusive negotiations were also instigated with a specialist acquirer who undertook diligence on the businesses but subsequently decided not to proceed with an offer for the companies. The Administrators continue to liaise with key stakeholders to discuss the most appropriate strategy for SPML and PML. Based on current circumstances a 'hold and run-off' approach is likely to be the most appropriate approach to maximise value for creditors.

## *Impact of COVID-19*

As anticipated in our last report, the COVID-19 crisis is having implications for SPML and PML's ongoing realisation of cashflows in relation to the residual income obtained from the securitised residential mortgage assets. A significant element of the mortgage book relates to self-certified mortgages by self-employed borrowers some of whom have experienced repayment difficulties, particularly as aid and measures, including mortgage repayment holidays and the furlough scheme, are reviewed.

It is not possible at this stage for us to assess with any certainty the longer term implications of COVID-19 on the residual mortgage assets held by SPML and PML. To date we have seen some deterioration in cashflows from pre COVID-19 levels, although performance has not impeded the Administrators' plan to pay the twelfth interim dividend referenced earlier in this report. We continue to work with management to assess the potential implications on SPML and PML's residual income from the securitisations.

## *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 proceeds of £47k with regards to CURL.

An additional amount, reflecting deferred consideration from the sale of Acenden, became due to Mable during the period and £1.37m was received in full settlement of this receivable. No further receipts are due.

## *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 \$10k was received on 3 April 2020.

On 29 July 2013 Storm admitted Mable's claim of £366m. To date, Mable has received dividends from Storm totalling £153.7m, of which £1.1m was received on 18 September 2020.

On 8 October 2013, Eldon Street admitted Mable's claim of £7.1m. To date, Mable has received dividends totalling £3.3m. No further distributions were received in the Period.

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. LBL has advised that further statutory interest may also be paid. No further distributions were received in the Period.

The timing and quantum of future distributions by Mable's debtors remain uncertain.

## *Deposition and discovery process in relation to the Clawback Proceedings*

In April 2019, LBHI initiated proceedings in the United States Bankruptcy Court Southern District of New York ("NY Bankruptcy Court") ("the Clawback Proceedings") against certain other Lehman UK affiliate entities. LBHI is seeking to reclaim amounts it has paid to certain Lehman UK affiliate entities in relation to a guarantee claim, along with prejudgment interest.

In June 2019, certain Lehman UK affiliate entities filed their answers and counterclaims in the Clawback Proceedings. The NY Bankruptcy Court held an initial pre-trial conference in July 2019, at which the parties agreed to confer on a proposed stipulation of facts and a discovery process, and return to the Court when necessary to do so.

During the Period, as part of the discovery process being undertaken by the parties to the Clawback Proceedings, SPML and PML received third-party subpoenas seeking disclosure of certain documents, with which (with the Administrators' team's assistance) they complied. Further and also in the context of the Clawback Proceedings, a Mable representative was involved in a deposition process. Compliance with the subpoenas and engagement in the deposition process was required as a matter of applicable law, despite none of these three entities being parties to the litigation.

## *Taxation*

All corporation tax returns up to and including the year ended 22 September 2017 have now passed their HMRC enquiry periods and are therefore deemed to be agreed. The corporation tax return for the year ended 22 September 2018 showed a loss for the period of c.£1.0m. The enquiry period for this return period will close on 31 October 2020.

The tax computation for the year ended 22 September 2019, which was submitted on 17 September 2020, showed a loss for the period of c.£551k. The enquiry window for this return will close on 22 September 2021.

No further significant corporation tax refunds are envisaged for pre-appointment periods over and above the £27.1m already recovered.

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.

To date, Mable has received VAT repayments totalling £1.7m. VAT repayments of £121k in relation to the VAT return quarters November 2019, February 2020 and May 2020 were received in the Period. Work has commenced to prepare the VAT return for the quarter ended 31 August 2020.

## *Connected Parties*

There have been no sales or transactions with connected parties of the Company during the Period.

## *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 March 2020 to 22 September 2020, and cumulative receipts and payments from 23 September 2008 to 22 September 2020.

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:

- £1.1m in respect of a dividend from Storm Funding Limited; and
- £1.4m in respect of a receivable from Storm Funding Limited.

Significant payments made in the Period were:

- £498k (inclusive of VAT) in respect of Administrators' fees.

Total cash held as at 22 September 2020 was £7.3m and, as at that date, £5.8m of this was invested on the money markets.

## *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 25 March 2020, the fee analysis for the period from 1 September 2019 to 29 February 2020 was circulated to creditors. Fees of £498k (inclusive of VAT), in relation to this fee analysis, were settled on 29 April 2020. This brought the total amount of Administrators' remuneration to £15.4m (inclusive of VAT).

The Administrators expect to issue their fee analysis for the period 1 March 2020 to 31 August 2020 to creditors on or around 20 October 2020.

## *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 closely with all subsidiary companies to maximise value and speed of returns to Mable;
- Work closely with LBIE, being Mable's majority creditor, including consultation over planned asset disposals;
- 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



D Y Schwarzmann  
Joint Administrator  
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 September 2020			As at	Movements	As at	As at
	GBP (£)	EUR (€)	USD (\$)	22 September 2020	from 23 September 2019 to 22 September 2020	22 March 2020 (GBP equivalent) RESTATED	22 March 2020 (GBP equivalent)
	000's	000's	000's	TOTAL GBP equivalent £	September 2020 (GBP equivalent) £	at 22 September 2020 exchange rate £	22 March 2020 (GBP equivalent) £
Loan repayments and subsidiary dividends	357,935	7,677	-	364,999	1,417	363,582	363,706
Book debts	158,047	322	10,203	166,364	1,202	165,162	166,024
Legal Fees	-	5	-	5	-	5	5
Corporation Tax repayments	27,131	-	-	27,131	-	27,131	27,131
VAT repayments	1,640	-	-	1,640	121	1,519	1,519
Refund of professional fees	6	115	-	111	1	110	113
Foreign currency conversions	13,241	-	-	13,241	-	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	1,228	6	-	1,233	1	1,232	1,231
<b>Receipts Grand Totals</b>	<b>644,124</b>	<b>8,125</b>	<b>10,203</b>	<b>659,620</b>	<b>2,742</b>	<b>656,878</b>	<b>657,865</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	2,359	-	-	2,359	4	2,355	2,355
Insurance premiums	289	-	-	289	-	289	289
Administrators' remuneration	15,374	-	-	15,374	498	14,876	14,876
Administrators' disbursements	54	-	-	54	-	54	54
Foreign currency conversions	-	8,125	10,158	15,461	-	15,461	16,446
Other professional fees	356	-	-	356	-	356	356
Distributions to unsecured creditors	616,177	-	-	616,177	-	616,177	616,177
<b>Payments Grand Totals</b>	<b>636,846</b>	<b>8,125</b>	<b>10,158</b>	<b>652,307</b>	<b>502</b>	<b>651,805</b>	<b>652,790</b>
<b>NET POSITION</b>	<b>7,278</b>	<b>(0)</b>	<b>45</b>	<b>7,313</b>	<b>2,240</b>	<b>5,073</b>	<b>5,075</b>
<b>CASH BALANCES</b>							
HSBC	1,426	-	45	1,462	-	-	-
Money markets	5,851	-	-	5,851	-	-	-
<b>Total Cash</b>	<b>7,278</b>	<b>-</b>	<b>45</b>	<b>7,313</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Exchange rate as at 22 March 2020

US\$ 1 : GBP	0.8045
EURO €1 : GBP	0.8846

### Exchange rate as at 22 September 2020

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

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	2,346	61	2,407	193	<b>2,600</b>
Wages & salaries	1,574	-	1,574	-	<b>1,574</b>
Building and Occupancy Costs	663	-	663	-	<b>663</b>
Administrators' remuneration	15,369	348	15,717	878	<b>16,595</b>
Administrators' disbursements	53	-	53	3	<b>56</b>
Insurance	289	-	289	-	<b>289</b>
Other professional fees	353	1	354	155	<b>509</b>
	<b>20,647</b>	<b>410</b>	<b>21,057</b>	<b>1,229</b>	<b>22,286</b>

# Appendix C: Remuneration update

## Our hours and average rates

The time cost charges incurred in the six months from 22 March 2020 to 22 September 2020 are £283k (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.

### Joint Administrators' time costs for the period 1 March 2020 to 30 August 2020

Classification of work	Partner		Director		Senior Manager		Manager		Senior Associate		Associate		Total		Average hourly rate by work type £
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	
Accounting and Treasury					4.10	2,526.50	1.40	727.00	19.80	8,143.00	6.65	1,579.00	31.95	12,975.50	406
Creditor Claims					0.10	60.50			0.75	337.50			0.85	398.00	468
Realisation of Assets			54.55	44,168.00	14.50	8,784.50							69.05	52,952.50	767
Review of SPML and PML			17.00	13,780.00	0.10	62.50			24.10	10,642.50			41.20	24,485.00	594
Statutory and Compliance	0.50	455.00	2.60	2,080.00	22.40	13,516.00	-	-	34.55	15,030.75	1.00	270.00	61.05	31,351.75	514
Strategy and Planning	2.30	2,093.00	3.90	3,120.00	1.90	1,151.50	0.50	262.50	22.45	10,309.50	3.50	402.50	34.55	17,339.00	502
Tax and VAT	9.30	12,880.50			4.30	3,910.50	22.10	15,788.50	74.00	30,075.00	2.40	569.50	112.10	63,224.00	564
Deposition and Discovery Process	0.25	198.75	23.00	18,552.00	28.60	13,855.00	79.20	36,432.00	22.23	2,667.60	77.25	8,823.75	230.53	80,529.10	349
<b>Total for six months ended 30 August 2020</b>	<b>12.35</b>	<b>15,627.25</b>	<b>101.05</b>	<b>81,700.00</b>	<b>76.00</b>	<b>43,867.00</b>	<b>103.20</b>	<b>53,210.00</b>	<b>197.88</b>	<b>77,205.85</b>	<b>90.80</b>	<b>11,644.75</b>	<b>581.28</b>	<b>283,254.85</b>	<b>487</b>
<b>Average Hourly rate for the six month period</b>		<b>1265.36</b>		<b>808.51</b>		<b>577.20</b>		<b>515.60</b>		<b>390.16</b>		<b>128.25</b>		<b>487.30</b>	
<b>Cumulative total to 30 August 2020</b>													<b>19,873.13</b>	<b>12,629,280.85</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.

We have retrospectively applied the rate cap in operation on certain other PwC controlled Lehman estates (including LBH, LBHI2 and LBIE) to our tax team rates from 1 July 2019 onwards. A credit note will be issued against our next bill.

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 February 2020		From 1 July 2020	
	£		£	
	Administration	Tax / VAT	Administration	Tax / VAT
Partner	910	1,385	985	1,385
Director	800	1,275	870	1,275
Senior manager	605	975	625	975
Manager	525	710	545	710
Senior associate	435	520	450	520
Associate	270	285	280	285
Support staff	140	170	155	180

## 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> </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 £1.37m in relation to deferred consideration due from the sale of Acenden</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>Bi-lateral negotiations with a specialist acquirer to diligence the business but who subsequently</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>

decided not to proceed with an offer

- 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> </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> </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>• Investigations into tax implications of future asset realisations in SPML and PML</li> <li>• Preparation and submission of the corporation tax computation for the year ended 22 September 2019</li> <li>• Preparation and submission of the quarterly VAT returns for February 2020 and May 2020.</li> <li>• Ensuring adherence to all relevant tax regulations and compliance standards</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> <li>• Statutory obligations to file returns and adhere to UK regulatory obligations.</li> </ul>

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Document Disclosure and Deposition	<ul style="list-style-type: none"> <li>• Assisting PML and SPML in responding to document discovery requests from LBHI in the context of the Clawback proceedings</li> <li>• Preparing for and participating in a Deposition process in the context of the Clawback Proceedings' referred to earlier in this report.</li> </ul>	<ul style="list-style-type: none"> <li>• For a deposition and discovery process required by law</li> </ul>	<ul style="list-style-type: none"> <li>• Required by law</li> </ul>
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## 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>	111	<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> </ul>	142	<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>	153	<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>	20	<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>	165	<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>	100	<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 seeking final tax clearance prior to closure</li> </ul>	115	<ul style="list-style-type: none"> <li>Maximising tax efficiency on recoveries for creditors</li> <li>Statutory returns</li> </ul>

During the period, we incurred £80k of work in connection with the Clawback Proceedings. This was not forecast in our previous budgets and we have not allocated across the above table at this stage. We hope to make commensurate savings but have not allocated them at this stage. We will provide more detail in our next progress report.

## *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 totalling £13 were incurred during the Period.

## *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*

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 Clawback Proceedings.

During the Period the Administrators also instructed Reed Smith LLP to assist from a US law perspective in relation to the Clawback Proceedings.

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, a twelfth interim dividend is expected to be paid within two months of 18 October as stated in the NOID published on 18 September 2020.

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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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