

## The Insolvency Act 1986

## Administrator's progress report

2.24B

Name of Company Thayer Properties Limited	Company Number 04108259
In the High Court of Justice Case, Chancery Division (full name of court)	Court case number 5893 of 2010

(a) Insert full name(s) and  
address(es) of  
administrator(s)

We (a) Anthony Victor Lomas, Steven Anthony Pearson, Dan Yoram Schwarzmann, Michael John Andrew Jervis and Derek Anthony Howell of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT

Joint Administrators of the above company attach a progress report for the period

b) Insert dates

from

to

(b) 1 October 2012

(b) 1 November 2012

Signed

Former Joint Administrator

Dated 22 November 2012

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**Contact Details:**

You do not have to give any contact information in the box opposite but if you do it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

7 More London Riverside, London, SE1 2RT	
	Tel 020 7583 5000
DX Number	DX Exchange

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Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



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FRIDAY

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***Thayer Properties  
Limited –  
In Liquidation and  
formerly in  
Administration***

22 November 2012

High Court of Justice, Chancery  
Division, Companies Court  
Case No. 5893 of 2010

The former Joint Administrators' final  
progress report

1 October to 1 November 2012

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# **Section 1      *The former Joint Administrators' final progress report***

## **Introduction**

The former Joint Administrators ("the Administrators") previously reported on 25 October 2012 and are pleased to provide their final progress report on the Administration of Thayer Properties Limited ("the Company") pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 ("IR86").

The former Administrators are required to provide certain statutory information pursuant to Rule 2.47(1)(a) to (d) IR86, which is shown in Section 2. The Administrators are also required to provide a summary of their proposals, which is at Section 3.

Details of the steps taken during the Administration, assets still to be realised and the outcome of the Administration are set out below.

## **Steps to be taken during the Administration**

As at the date of the Administrators' appointment on 20 July 2010 the position as regards the Company was as follows -

- Thayer was a subsidiary of Eldon Street Holdings Limited – in Administration ("Eldon Street"), and was part of the Lehman Brothers group of companies.
- The Administrators' appointment arose as a consequence of a demand for a debt due from the Company to Thayer Group Limited, a subsidiary. The directors concluded that the Company could no longer be traded as a going concern, and therefore sought to appoint the Administrators.

Following an initial review, the Administrators concluded that the most appropriate strategy was to protect and control the Company's assets, including tax losses and refunds, and to maximise the value for the Company from its inter-company debtors and shareholding in a subsidiary company

Immediately following their appointment, the Administrators took steps to take control of the key assets. These included:-

- Obtaining cash from the Company's pre-appointment bank account;
- Filing pre-appointment tax returns to secure either tax refunds or sale of losses to other group companies; and

- Ensuring inter-company claims have been filed against debtors.

## **Asset realisations**

### Cash at bank

The Administrators have received c.£5k of cash at Bank

### Sale of tax losses

Total realisations from the sale of tax losses to group companies during the period of Administration are £3,418,373

## **Asset still to be realised**

The Company's remaining assets include inter-company debts, and an investment in a subsidiary company, all of which will be dealt with in the subsequent creditors' voluntary liquidation.

## **Other issues**

The other key issue during the Administration was to deal with ongoing pensions related issues which put the Company at risk of a Financial Support Direction. The hearing in the Court of Appeal has been listed to begin on 29 April 2013. Further details were provided in the Administrators' previous reports.

## **Final receipts and payments account**

An account of the final receipts and payments in the Administration for the period from 1 October to 1 November 2012 is set out in section 4 to this report, together with a total for the whole Administration.

Receipts in the period comprised: -

- A further dividend received from Lehman Commercial Paper Inc in the amount of \$1,176; and
- Tax losses sold to group companies for £30,019.

Payments in the period consisted of: -

- Employee costs of £455;
- Joint Administrators' remuneration of £13,861; and
- VAT paid of £2,772

## **Extensions to the Administration**

The duration of the Administration was initially extended by consent of the creditors for six months to 19 January 2012.

The Administration was subsequently extended by the Court to 30 November 2012.

## **Expenses statement**

A statement of the expenses incurred by the former Administrators in the period 1 September to 31 October 2012 is included at Section 5.

## **Former Administrators' remuneration**

The former Administrators' remuneration was approved on a time costs basis by the creditors. The Administrators drew remuneration totalling £122,462 plus VAT for the period 20 July 2010 to 30 September 2012 in accordance with the resolutions passed at the initial creditors' meeting held on 8 November 2010.

The time cost charges incurred in the period covered by this report are £3,865. In accordance with the requirements of Statement of Insolvency Practice No.9, a full analysis of the former Administrators' time costs and Category 2 disbursements for the period 1 September to 30 September 2012 is provided in Section 6.

The former Administrators' accrued and unpaid remuneration and expenses will be met from funds held by the Liquidator.

## **Creditors' rights**

A statement of creditors' rights in relation to the former Administrators' remuneration and expenses is set out at Section 8.

## **Outcome for creditors**

### **(i) Secured Creditor**

The Company has no known secured creditors.

### **(ii) Preferential Creditors**

There are no preferential claims as the Company did not have any employees directly.

### **(iii) Unsecured Creditors**

The former Administrators are aware of 7 creditors with potential claims in the estate

The former Administrators currently anticipate that a dividend will be available to unsecured creditors. Given the ongoing Court proceedings and subsequent uncertainty in respect of the liability to the Pensions Regulator, the timing and the ultimate value of the total dividend remains uncertain

***If you have not already submitted your claim, please do so using the form enclosed with this report.***

## **Exit route from Administration**

In accordance with the proposals approved by creditors, the Company entered into creditors' voluntary liquidation on 1 November 2012. There having been no alternate nominations, Derek Anthony Howell, Anthony Victor Lomas and Michael John Andrew Jervis were appointed Joint Liquidators of the Company.

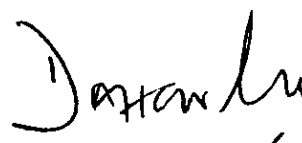
This particular exit route was considered the most appropriate in the circumstances as it will allow the outstanding pension issues to be resolved, bring about further realisations and provide an orderly process in which to agree the claims of unsecured creditors and enable a distribution to be made.

Furthermore, there are no adverse tax consequences of the route chosen.

## **Discharge**

In accordance with a resolution of the general body of creditors to be passed in the liquidation, the former Administrators shall be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as Administrators 14 days following the passing of the resolution.

Signed:



DA Howell  
Joint Liquidator and former Joint Administrator  
Thayer Properties Limited

*DA Howell, AV Lomas and MJA Jervis were appointed as Joint Liquidators of Thayer Properties Limited. The Joint Liquidators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales*

*The Joint Liquidators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Liquidation*

## Section 2 Statutory and other Information

<i>Court details for the Administration.</i>	High Court of Justice, Chancery Division, Companies Court - case 5893 of 2010
<i>Full name</i>	Thayer Properties Limited
<i>Trading name</i>	Thayer Properties Limited
<i>Registered number.</i>	04108259
<i>Registered address:</i>	Level 23, 25 Canada Square, London E14 5LQ
<i>Company directors</i>	B Porter, J Gleck and RJ Anderson
<i>Company secretary:</i>	No company secretary is currently appointed. The former secretary Ms M Smith resigned on 18 March 2010
<i>Shareholdings held by the directors and secretary.</i>	None of the directors own shares in the Company
<i>Date of the Administration appointment.</i>	20 July 2010
<i>Former Administrators' names and addresses</i>	DA Howell, DY Schwarzmunn, SA Pearson, MJA Jervis and AV Lomas of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
<i>Appointer's name and address</i>	The directors of the Company, 25 Bank Street, London, E14 5LE
<i>Objective being pursued by the Administrators</i>	Achieving a better result for creditors as a whole than would be likely if the Company was wound up (without first being in Administration)
<i>Division of the former Administrators' responsibilities</i>	Statement of powers for the purposes of paragraph 100(2) of schedule B1 to the Insolvency Act 1986 The Directors of Thayer Properties Limited have appointed DA Howell, AV Lomas, MJA Jervis, SA Pearson and DY Schwarzmunn of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT as joint administrators of the Company The joint administrators will act jointly and severally so that all functions may be exercised by any or all of them
<i>Details of any extensions of the initial period of appointment.</i>	The first extension was granted consent of the creditors to 19 January 2012. A second extension was granted by the High Court of Justice until 30 November 2012
<i>Proposed end of the Administration.</i>	Creditors' voluntary liquidation
<i>Estimated dividend for unsecured creditors.</i>	It is too early to estimate the likely dividend for unsecured creditors
<i>Estimated values of the prescribed part and Thayer's net property</i>	There is no prescribed part as there is no qualifying floating charge.
<i>Whether and why the Administrators intend to apply to court under Section 176A(5) Insolvency Act 1986</i>	Not applicable as there is no prescribed part.
<i>The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000)</i>	The European Regulation on Insolvency Proceedings does apply to this Administration and these are the main proceedings

## **Section 3      *Summary of the former Joint Administrators' proposals***

The following proposals for achieving the purpose of administration were approved by creditors.

- i) The Administrators will continue to manage and finance Thayer's business, affairs and property from asset realisations in such manner as they consider expedient with a view to achieving a better result for Thayer's creditors as a whole than would be likely if Thayer had been immediately liquidated.
- ii) The Administrators may investigate and if appropriate, pursue any claims that Thayer may have under the Companies Act 1985, the Companies Act 2006 or the Insolvency Act 1986 ("IA86") or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of Thayer or to maximise their realisations or for any other purpose incidental to these proposals.
- iii) The Administrators will at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or supervisor of a company voluntary arrangement and the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration.
- iv) The Administrators may at their discretion make an application to Court for permission to make distributions to unsecured creditors under Paragraph 65(3) Schedule B1 IA86.
- v) A creditors' committee will be established if sufficient creditors are willing to act on it. The Administrators propose to seek the election of a creditors' committee and to consult with it from time to time. Where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors.
- vi) The Administrators will consult with the creditors' committee (if formed) concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous. The Administrators shall either apply to the Court or

seek consent from the appropriate classes of creditors for an extension.

- vii) The Administrators may use any one or a combination of "exit route" strategies in order to bring the Administration to an end. The Administrators wish to retain a number of the options which are available to them, including:
  - (a) the Administrators may place Thayer into creditors' voluntary liquidation. In these circumstances, it is proposed that DA Howell, AV Lomas and MJA Jervis be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either any or all of them. In accordance with Paragraph 83(7) Schedule B1 IA86 and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved, OR
  - (b) The Administrators may formulate a proposal for a company voluntary arrangement ("CVA") and put it to meetings of Thayer's creditors and shareholders for approval. If the CVA is approved, the Administration will be brought to an end by notice to the Registrar of Companies on completion of the Administration under Paragraph 84 Schedule B1 IA86, following registration of which Thayer will be dissolved three months later, OR
  - (c) Once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Schedule B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later or apply to Court under Paragraph 79 Sch.B1 for the Administration to be ended, OR
  - (d) The Administrators may apply to the Court to allow the Administrators to distribute surplus funds to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Schedule B1 IA86, following registration of which Thayer will be dissolved three months later. If permission is not granted the Administrators will place Thayer into

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creditors' voluntary liquidation or otherwise act in accordance with any Order of the Court

ix) The Administrators' fees will be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge-out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No.9) be charged in accordance with the Administrators' firm's policy. It will be for the creditors' committee to fix the basis and level of the Administrators' fees and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors to determine these instead, as set out in Appendix B.

The resolution that the Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators at a time determined by the creditors committee or, if no creditors' committee is appointed, after 14 days from the date of ceasing to act as Administrators of Thayer was not approved by creditors.

## Section 4     *Final Receipts and Payments Account for the period 1 October to 1 November 2012*

	As at 1 November 2012		As at 30 September 2012		Movements	
	GBP (£)	USD (\$)	GBP (£)	USD (\$)	GBP (£)	USD (\$)
<b>Receipts</b>						
Cash at Bank	4,952	-	4,952	-	-	-
Dividend from LCPI	-	2,750	-	1,574	-	1,176
Sale of tax losses	3,418,373	-	3,388,354	-	30,019	-
<b>Total Receipts</b>	<b>3,423,325</b>	<b>2,750</b>	<b>3,393,306</b>	<b>1,574</b>	<b>30,019</b>	<b>1,176</b>
<b>Payments</b>						
Legal fees	24,573	-	24,573	-	-	-
Employee costs	9,660	-	9,405	-	455	-
Statutory Advertising	525	-	525	-	-	-
Bank charges	1	47	1	47	-	-
Joint administrators' remuneration	122,462	-	108,601	-	13,861	-
Joint administrators' category 1 disbursements	1,674	-	1,674	-	-	-
Input VAT	27,438	-	24,666	-	2,772	-
<b>Total Payments</b>	<b>186,533</b>	<b>47</b>	<b>169,445</b>	<b>47</b>	<b>17,088</b>	<b>-</b>
<b>Net Position</b>	<b>3,236,792</b>	<b>2,703</b>	<b>3,223,861</b>	<b>1,527</b>	<b>12,931</b>	<b>1,176</b>
<b>Cash Balances</b>						
HSBC - Non-interest bearing account	3,236,792	2,703	3,223,861	1,527	12,931	1,176
<b>Total Cash</b>	<b>3,236,792</b>	<b>2,703</b>	<b>3,223,861</b>	<b>1,527</b>	<b>12,931</b>	<b>1,176</b>

Based on exchange rates at 1 November 2012, the cash in hand is equivalent to GBP £3,238,467.

## **Section 1      *Statement of expenses incurred from 1 to 31 October 2012***

<b>Expenses incurred but not yet paid</b>	<b>£</b>	<b>Notes</b>
Administrators' time costs	11,505	1
Legal and other professional costs:	3,447	
Irrecoverable VAT	2,990	
<b>Total expenses</b>	<b><u>17,942</u></b>	

### **Notes**

- 1      The former Joint Administrators' time costs for October 2012 are estimated at no more than £11,505. A full SIP 9 analysis will be provided to creditors in the Liquidators' first report

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## **Section 6      *Analysis of the former Joint Administrators' time costs and Category 2 disbursements for the period 1 to 30 September 2012***

### ***Narrative of the work carried out for the period 1 September to 31 October 2012:-***

#### ***Accounting and treasury - £123***

- Undertaking receipts and payments;
- Processing payroll; and
- Preparing bank reconciliations

#### ***Administration and planning - £1,739***

- Discussions regarding strategy for the administration

#### ***Asset Realisations - £127***

- Review of Lehman Brothers International (Europe) claim.

#### ***Statutory and other compliance – £1,645***

- Circulate progress report to creditors;
- Statutory filings at Companies House and Court;
- Prepare receipts and payments account;
- Prepare detailed remuneration summary;
- Manage the Thayer database; and
- Liaise with Administrators on statutory issues.

#### ***Tax and VAT - £171***

- Consultation with Tax on impact of moving into CVL.

#### ***LBL recharges - £59***

- This is an apportionment of the costs incurred by Lehman Brothers Limited associated with the administration companies.

## Charge-out rate summary for the period 1 to 30 September 2012

Classification of work	Partner/Director Hours	Senior Manager/Manager Hours	Senior Associate Hours	Associate/Support Staff Hours	Total Hours
Accounting and Treasury	-	-	0.40	0.10	0.50
Realisation of Assets	-	4.20	-	-	4.20
Reporting	-	-	0.50	-	0.50
Strategy and Planning	-	3.80	0.10	-	3.90
Tax and VAT	-	0.30	-	-	0.30
LBL Recharges	0.01	0.06	0.05	0.06	0.18
<b>Grand Total</b>	<b>0.01</b>	<b>8.36</b>	<b>1.05</b>	<b>0.16</b>	<b>9.58</b>

Current charge out rates Grade	Business Recovery		Specialist	
	Services	Max £/hr	Max £/hr	
Partner	838		1,027	
Director	639		932	
Senior manager	492		869	
Manager	414		634	
Senior Associate	346		389	
Associate/Support Staff	220		264	

The Administrators' remuneration has been fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administration. The maximum unit for time charged by the Joint Administrators and their staff is 0.1 of an hour.

\* Specialist departments within PricewaterhouseCoopers LLP, such as Tax, VAT and Pensions, do sometimes charge a small number of hours, should we require their expert advice. Their rates do vary, however, the figures shown given an indication of the maximum rate per hour. In common with all professional firms, the scale rates used by the Joint Administrators from PricewaterhouseCoopers LLP may periodically rise (for example to cover annual inflation cost increase) over the period of the Administration. Any material amendments to these rates will be advised to the creditors in the next statutory report.

## Category 2 disbursements for the period 1 to 30 September 2012

There have been no Category 2 disbursements during the period.

### ***Summary of legal and other professional firms***

The Administrators have instructed the following professionals: -

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>
Legal advice	Linklaters LLP	Industry knowledge	Time cost
Legal advice	Ogier	Industry knowledge	Time cost

All third party professionals are required to submit time costs analyses and narrative in support of invoices rendered.

## **Section 7     Statement of creditors' rights**

The Insolvency Rules 1986, as amended on 6 April 2010, provide for creditors to request further information and challenge the Administrators' remuneration and expenses. The relevant statutory provisions are as follows:-

### **Rule 2.48A Creditors' request for further information**

#### **(1) If—**

- (a) within 21 days of receipt of a progress report under Rule 2.47—
  - (i) a secured creditor, or
  - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor,

makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2.47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

#### **(2) The administrator complies with this paragraph by either—**

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that—
  - (i) the time or cost of preparation of the information would be excessive, or
  - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
  - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information.

#### **(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of—**

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just.

#### **(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2.109(1B) by such further period as the court thinks just."**

### **Rule 2.109 Creditors' claim that remuneration is or other expenses are excessive**

**(1)** Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4).

#### **(1A) Application may be made on the grounds that—**

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrator's remuneration under Rule 2.106, or
- (c) expenses incurred by the administrator, is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate.

**(1B)** The application must, subject to any order of the court under Rule 2.48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report").

**(2)** The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business]days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.

**(3)** The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

**(4)** If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the administrator was entitled to charge;
- (b) an order fixing the basis of remuneration at a reduced rate or amount,
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,
- (e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify;

and may make any other order that it thinks just; but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

**(5)** Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration