

The Insolvency Act 1986

Administrator's progress report

Name of Company One Blackfriars Limited	Company number 05278011
In the High Court of Justice Chancery Division Companies Court <small>[full name of court]</small>	Court case number 8357 of 2010


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

We (a) Sarah Megan Rayment and Shay Bannon of BDO LLP, 55 Baker Street, London, W1U 7EU

administrator(s) of the above company attach a progress report for the period

(b) Insert date.	From (b) 14 April 2011	to (b) 13 October 2011
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Signed


Joint Administrator

Dated

25/10/11

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.

BDO LLP, 55 Baker Street, London	
W1U 7EU	
Our Ref MJC/NJA/00155705	Tel 020 7893 2258
DX Number	DX Exchange



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A21 28/10/2011 55

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff



Tel +44 (0)20 7486 5888
Fax +44 (0)20 7935 3944
DX 9025 West End W1
www.bdo.co.uk

55 Baker Street
London W1U 7EU

25 October 2011

Our Ref MJC/NJA/00155705

Please ask for Matthew Tang
Direct Line 020 7893 2100

TO ALL CREDITORS AND MEMBERS

Dear Sirs

One Blackfriars Limited - In Administration ("the Company")

It is now 12 months since my appointment in respect of the Company. In accordance with Rule 2.47 of the Insolvency Rules 1986 I am now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the Administration

1 Statutory Information

- 1.1 The Joint Administrators are Shay Bannon and Sarah Megan Rayment of BDO LLP, 55 Baker Street, London, W1U 7EU and they were appointed in respect of One Blackfriars Limited on 14 October 2010. Under the provisions of Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the Joint Administrators carry out their functions jointly and severally and neither Joint Administrator has exclusive power to exercise any function.
- 1.2 The Joint Administrators were appointed by a syndicate of lenders consisting of The Royal Bank of Scotland Plc (security Trustee), Allied Irish Bank Plc and Santander UK Plc ("the secured creditors") being the holders of a Qualifying Floating Charge, pursuant to Paragraph 14 of Schedule B1 of the Insolvency Act 1986. The Administration proceedings are dealt with in the High Court of Justice, Chancery Division and the court case number is 8357 of 2010.
- 1.3 The Company's registered office is situated at 55 Baker Street, London, W1U 7EU and the registered number is 05278011.

2 Trading / Realisation of Assets

- 2.1 The Company was incorporated on 4 November 2004 as Beetham Landmark London Limited with the principal activity being property development. The Company name was changed to One Blackfriars Limited on 6 July 2010.
- 2.2 As previously reported, the Company was effectively a stand-alone entity for the ownership and development of the land situated at 1-16 Blackfriars Road, London, SE1 ("the site") on the Southbank of the River Thames. Provisional planning permission was obtained in 2007 for the construction of a 51 storey tower comprising a high-end hotel and residential units, commonly referred to as "the Beetham Tower".



- 2.3 Final planning permission was subsequently received in March 2009, however, the Company had difficulties in servicing the existing debt and obtaining the necessary funding to take the development forward.
- 2.4 Upon our appointment as Joint Administrators we took steps to secure and insure the site and following a review of the Company's affairs, it was decided that there was no requirement for the Company to continue to trade in Administration, save for the collection of rental income from a third party company storing materials on part of the site. The Joint Administrators have received £48,286 in this regard and I can confirm that the third party vacated the site on 9 June 2011. There are arrears in rental payments totalling £18,000 plus VAT for the period April 2011 to the date the company vacated. I have commenced legal action to reclaim the arrears.
- 2.5 As previously advised, the value in the site is the current planning permission for "the Beetham Tower" and the implementation of the same to ensure it is preserved in its current form. The Joint Administrators instructed CB Richard Ellis Limited ("CBRE") together with planning consultants to advise in this regard and following this advice the Joint Administrators have taken all appropriate steps to ensure the current planning permission is protected
- 2.6 The site was formally brought to the market at the beginning of April 2011 and CBRE have been in discussions with a number of interested parties with a view to completing a sale of the site. Contracts have now been exchanged with a potential purchaser with a view to completing the sale shortly.
- 3 Receipts and Payments**
- 3.1 I enclose, for your information, a summary of my receipts and payments to date showing an overdrawn balance of £370,057.34 together with a copy of my abstract account covering the period from 14 April 2011 to 13 October 2011.
- 3.2 I additionally attach a summary of the fees and expenses which have been paid in the last period of this Administration and the costs which have accrued and not yet been paid
- 3.3 I would advise you that The Royal Bank of Scotland plc granted an overdraft facility to the Joint Administrators, in order to fund the marketing and sale process for the site.
- 3.3 The receipts and payments are largely self-explanatory although I would comment specifically on the following
- 4 Professional Fees and Agents' Fees**
- The Joint Administrators have incurred professional fees and agents' fees of £192,457 and £36,750, respectively, relating to the costs of marketing the site and protecting and maintaining the planning permission granted to the Company.
- 5 Future of the Administration**
- 5.1 I would refer creditors to my earlier report, which outlined the three statutory purposes of the Administration

5.2 The third statutory purpose is to realise the assets of the Company in order to make a distribution to one or more secured or preferential creditors. It remains the Joint Administrators' proposal that they continue to realise the assets of the Company for the benefit of the secured creditors.

5.3 The Joint Administrators' proposal is that the Company will be dissolved once the Administration is complete. However, should the proceeds from the sale of the site be sufficient to enable a distribution to the unsecured creditors of the Company, we will arrange for the Company to move to Creditors' Voluntary Liquidation to enable such a dividend to be paid, in line with the Joint Administrators' proposals.

6 Extension of Administration

In order to facilitate the sale of the site, an application to the High Court was sought by the Joint Administrators, pursuant to Rule 2.112(1) of the Insolvency Rules 1986, for the period of the Administration to be extended for a further 12 months to 13 October 2012. This extension was granted by Court at a hearing held on 30 September 2011. Attached is a copy of the notice and Court Order for your information

7 Prospects for Creditors

Under Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the Company has granted a floating charge to a creditor after 15 September 2003. A fixed and floating charge was registered against the Company in favour of the secured creditors on 24 June 2008, however, given the sole asset of the Company is property (which is classified as a fixed charge asset); it is anticipated that there will be no floating charge realisations and, therefore, there will be no funds available for distribution to unsecured creditors out of the prescribed part.

7.1 Secured Creditors

7.1.1 Finance for the Company was provided by the secured creditors. The secured creditors hold the following security:

- Senior debentures created on 24 June 2008 and registered at Companies House on 2 July 2008

- Mezzanine debentures created on 24 June 2008 and registered at Companies House on 2 July 2008

- Senior debentures created on 22 June 2010 and registered at Companies House on 3 July 2010

- Mezzanine debentures created on 22 June 2010 and registered at Companies House on 7 July 2010

- 7.1.2 In addition, finance was also provided by Formby 2010 Limited (encompassing investment from Stephen Beetham and Hugh Frost). Formby 2010 Limited holds a debenture created on 22 June 2010 and registered at Companies House on 9 July 2010, which is subordinated to the above-mentioned secured creditors.
- 7.1.3 Finance was also provided to the Company from Beetham Holdings Two Limited, Dryden Limited and Mirax group LLC as part of a joint venture agreement whereby certain interest, fees and expenses were paid directly to the secured creditors. Total indebtedness is understood to be approximately £8m
- 7.1.4 Under the above security structure, the secured creditors have fixed and floating charges over the assets of the Company (albeit only fixed assets exist). At the date of appointment, the indebtedness to the secured creditors was approximately £69m. This figure is subject to accruing interest, costs and charges. At present it is uncertain how much will be repaid to the secured creditors as this is entirely dependent on the sale of the site.
- 7.1.5 Lending made by Formby 2010 Limited (detailed at paragraph 7.1.2) totalled £20m and is subordinated to the secured creditors, therefore as above; it is uncertain how much will be repaid to Formby 2010 Limited.

7.2 Preferential Creditors

The Company did not have any direct employees. Therefore, there are no claims to be lodged by preferential creditors.

7.3 Unsecured Creditors

The creditors' claims notified to us to date total circa £1.715m. Upon our appointment, the Company's accounts detailed unsecured creditors of circa £1.8m. In addition, there is the claim from Beetham Holdings Limited, Dryden Limited and Mirax Group LLC totalling circa £8m (as detailed at paragraph 7.1.3). Any distribution to unsecured creditors is dependent upon the sale price achieved for the site.

8 Pre Appointment Costs


Under Rule 2.67A of the Insolvency Rules 1986 certain costs incurred in preparation and planning for the Administration may, with the approval of the creditors, be approved for payment from the Administration estate, as an expense of the Administration. I can confirm that no time costs were incurred by our firm in planning during the pre-Administration period.

9 Joint Administrators' Remuneration

- 9.1 Under the terms of the Insolvency Rules 1986 the Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.106(2) of the Insolvency Rules 1986. This permits remuneration to be fixed either as a percentage of the value of the property with which the Joint Administrators have to deal or alternatively by reference to the time the Joint Administrators and their staff have spent in attending to matters in this Administration or, a fixed amount.

- 9.2 As it is unlikely that there will be any funds available for unsecured creditors, the Joint Administrators' remuneration will be subject to the approval of the secured creditors pursuant to Rule 2 106(5A) of the Insolvency Rules 1986. I attach a schedule which summarises the time costs accrued to date, in the sum of £196,853.65, and indicates the work undertaken in that respect. I can confirm that I have not drawn any funds in this regard to date.
- 9.3 Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. Category 1 disbursements in the sum of £1,602.82 have accrued to date, however, I have not drawn any funds in this regard.
- 9.4 I provide at the end of this report an extract from the Insolvency Rules 1986 setting out the rights of creditors to request further information and/or challenge the remuneration or fees within the Administration.

Yours faithfully
For and on behalf of
One Blackfriars Limited



Shay Bannon
Joint Administrator
Authorised by the Association of Chartered Certified Accountants

Enc

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:-

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

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses (continued):-

Rule 2.109 (continued)

(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

One Blackfriars Limited - In Administration

Joint Administrators' abstract of receipts and payments for the period 14 October 2010 to 13 October 2011

Receipts	Estimate to Realise as per Statement of Affairs (£)	Movement since 14 April 2011 (£)	Total (£)
Freehold Property	135,000,000.00	-	-
Rent	-	-	48,285.71
Bank Interest Net of Tax	-	8 49	9.13
Output VAT	-	(42 02)	3,157.98
	<u>135,000,000 00</u>	<u>(33.53)</u>	<u>51,452.82</u>
Payments			
Sub Contractors		45,112.50	45,112.50
Insurance		1,430 74	5,602.65
Professional Fees		192,456 77	192,456.77
Agents' Fees & Disbs		36,750 00	36,750.00
Security		95,670.38	102,831.67
Bank Charges		25,240.00	25,240.00
Input VAT		13,116.57	13,516.57
		<u>409,776.96</u>	<u>421,510.16</u>
Balance in hand			(370,057.34)
			<u>51,452 82</u>

**BDO LLP
55 Baker Street
London
W1U 7EU**

**Shay Bannon & Sarah Rayment
Joint Administrators**

25 October 2011

One Blackfriars Limited - In Administration

Statement of fees and expenses paid and accrued in the period 14 April 2011 to 13 October 2011

Account	Incurred In Period	Accrued In Period	Total In Period
Sub Contractors	45,112.50	-	45,112.50
Insurance	1,430.74	-	1,430.74
Professional Fees	192,456.77	-	192,456.77
Agents' Fees & Disbs	36,750.00	-	36,750.00
Securty	95,670.38	-	95,670.38
Bank Charges	25,240.00	-	25,240.00
Joint Administrators' Fees	-	84,667.25	84,667.25
Joint Administrators' Disbursements	-	46.73	46.73
Legal Fees	-	169,646.33	169,646.33
	<u>396,660.39</u>	<u>254,360.31</u>	<u>651,020.70</u>

BDO LLP
55 Baker Street
London
W1U 7EU

Shay Bannon & Sarah Rayment
Joint Administrators

One Blackfriars Limited - In Administration

Summary of Time Charged and Rates Applicable for the Period From 14/10/2010 to 13/10/2011

Description	PARTNER		MANAGER		ASSISTANT MANAGER		SENIOR ADMINISTRATOR		ADMINISTRATOR		OTHER STAFF		GRAND TOTAL		AVERAGE RATE	
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£	
Steps on Appointment	2 15	1,127 65	11 00	4,219 50					2 40	367 20	2 00	192 00	17 55	5,906 35	336 34	
Planning and Strategy	1 00	530 00	5 25	2,031 75					1 00	153 00			7 25	2,714 75	374 45	
Case Progression	52 40	34,044 00	89 85	34,494 15			0 25	61 25	41 10	6,988 90	27 70	2,647 20	211 30	78,235 50	370 26	
Assets Realisation / Dealing	58 70	34,183 00	101 10	39,584 70			1 50	367 50	0 50	122 50			161 80	74,237 70	458 95	
Trading Related Matters	0 50	265 00											0 50	265 00	530 00	
Employee Matters									0 35	53 55			0 35	53 55	153 00	
Creditor Claims			11 90	4,602 30					1 35	228 60	0 15	14 40	13 60	4,845 30	356 27	
Reporting	14 20	7,526 00	45 05	17,402 85					26 95	5,152 25	5 15	494 40	91 35	30,575 50	334 71	
	128 95	77,673 65	264 15	102,335 25			1 75	428 75	73 85	13,066 00	35 00	3,348 00				

Net Total	503 70	196,853 65
Other Disbursements		1,602 82
Billed		
Grand Total		£198,456 47

The Insolvency Act 1986

Notice of extension of period of administration

2.31B

Name of Company One Blackfriars Limited	Company number 05278011
In the High Court of Justice Chancery Division Companies Court <small>[full name of court]</small>	Court case number 8357 of 2010

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

We (a) Shay Bannon and Sarah Megan Rayment of BDO LLP, 55 Baker Street, London, W1U 7EU

(b) Insert name and address of registered office of company

having been appointed administrators of (b) One Blackfriars Limited whose registered office is situated at BDO LLP, 55 Baker Street, London, W1U 7EU ("the company")

(c) Insert date of appointment

(d) Insert name of applicant/appointor

On (c) 14 October 2010 by (d) The Royal Bank of Scotland Plc of 36 At Andrew Square, Edinburgh, EH2 2YB

hereby give notice that the administration has been extended.

* Delete as applicable

* by order of the court

* ~~with the consent of the secured creditor~~

(e) Insert date

until (e) 13 October 2012

Signed


Joint Administrator

Dated

14/10/10

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.

BDO LLP, 55 Baker Street, London, W1U 7EU	
Our Ref	MJC/BJM/00155705
Tel	020 7893 2219
DX Number	DX Exchange

Companies House receipt date barcode

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Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

IN THE HIGH COURT OF JUSTICE

No: 8357 of 2010

CHANCERY DIVISION

COMPANIES COURT



Before Registrar *Derrett*

On 30th day of September 2011

IN THE MATTER OF ONE BLACKFRIARS LIMITED (IN ADMINISTRATION)

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986

ORDER

UPON the application of Shay Bannon and Sarah Megan Rayment of BDO LLP, 55 Baker Street, London W1U 7EU as joint administrators of One Blackfriars Limited (in administration) (the "Joint Administrators")

AND UPON hearing Counsel for the Joint Administrators

AND UPON reading the witness statement of Sarah Megan Rayment dated 2 September 2011 and Exhibit "SMR1"

IT IS ORDERED THAT:

1. The Joint Administrators' terms of office shall be extended for a further period of twelve months to 5 p.m. on 13 October 2012 pursuant to paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986;

2. the costs of and incidental to the application shall be paid as an expense in the administration; and
3. such further or other order as the Court thinks fit.



Dated

30th September 2011

