

The Insolvency Act 1986

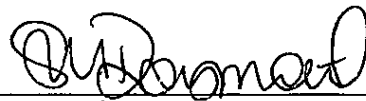
Administrator's progress report

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	to
(b)	14 April 2012	2 October 2012

Signed 
Joint Administrator

Dated 4/10/12

**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 2100
DX Number	DX Exchange

Companies House receipt date barcode

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

«NAME»

2 October 2012

«A1»

«A2»

Our Ref MJC/BJM/00155705

«A3»

«A4»

Please ask for
Matthew Tang
020 7893 2100

«A5»

FAO «CONTACT»

TO ALL CREDITORS AND MEMBERS

Dear Sirs

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

I now supply my final report in respect of this Administration.

I enclose, for your information, a summary of my receipts and payments to date showing a balance in hand of 'nil', together with a copy of my abstract receipts and payments account covering the final period, and report as follows:

1 Statutory Information

- 1.1 The Joint Administrators are Sarah Megan Rayment and Shay Bannon 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 Administrators carry out their functions jointly and severally and neither Administrator has exclusive power to exercise any function
- 1.2 The 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 Qualifying Floating Charges, 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 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 £163,786 in this regard and the third party vacated the site on 9 June 2011
- 2 5 As previously advised, the value in the site was the planning permission for "the Beetham Tower" and the implementation of the same to ensure it was preserved in its form. The Joint Administrators instructed CB Richard Ellis Limited ("CBRE"), together with planning consultants to advise in this regard and following the advice, the Joint Administrators took all appropriate steps to ensure the planning permission was protected.
- 2 6 The site was formally brought to the market at the beginning of April 2011. Following an extensive marketing campaign, a sale was agreed and the site was sold on 16 December 2012

3 Receipts and Payments

- 3 1 I enclose, for your information, a summary of my receipts and payments to date showing a balance of nil together with a copy of my abstract account covering the period from 14 April 2011 to 2 October 2012
- 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. This facility has now been repaid in full.
- 3 4 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 £257,541 and £681,750, respectively, relating to the costs of marketing the site and protecting and maintaining the planning permission granted.

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. This has been achieved and funds received from asset realisations have been distributed to the secured creditors.

5 3 The Joint Administrators' proposal was that the Company would be dissolved once the Administration was complete. However, should the proceeds from the sale be sufficient to enable a distribution to the unsecured creditors of the Company, then we would 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.

5 4 It is now apparent that there are insufficient funds to make a dividend distribution to unsecured creditors and the Company will now be dissolved.

6 Extension of the Administration

6 1 In order to facilitate the sale of the site, an application was made by the Joint Administrators to the High Court, pursuant to Rule 2.112(1) of the Insolvency Rules 1986, for the Company's Administration to be extended. This approval was granted and the Administration was extended to 13 October 2012.

7 Prospect 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 a 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), 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 by 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. The total indebtedness is understood to be £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

7.1.5 Lending made by Formby 2010 Limited (detailed at paragraph 7.1.2) totalled £20m and is subordinated to the secured creditors

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). From the sale price achieved for the site, there are insufficient funds available to make a distribution to unsecured creditors.

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 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 there will be insufficient 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 £258,041 and indicates the work undertaken in that respect. I can confirm that I have drawn £157,044 with respect to my fees. I advise that the remaining balance will be written off.

- 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 £1,719 07 have accrued and been drawn.
- 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



Sarah Rayment
Joint Administrator
Authorised by the Insolvency Practitioners Association

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 administrators 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 April 2012 to 2 October 2012

Receipts	Estimate to Realise as per Statement of Affairs (£)	Movement since 14 April 2012 (£)	Total (£)
Freehold Property	135,000,000	-	72,450,000
Rent	-	97,500	163,786
Bank Interest Net of Tax	-	56	4,608
	<u>135,000,000</u>	<u>97,556</u>	<u>72,618,394</u>
Payments			
Sub Contractors		-	45,113
Insurance		-	6,692
Professional Fees		-	257,541
Administrators' Fees		157,044	157,044
Administrators' Disb			1,719
Legal Fees & Disbs		-	414,725
Agents' Fees & Disbs		(30,000)	681,750
Secured Creditor		153,423	70,877,948
Security		-	145,292
Corporation Tax		353	353
Bank Charges		40	30,216
		<u>280,861</u>	<u>72,618,394</u>
Balance in hand			-
			<u>72,618,394</u>

BDO LLP
55 Baker Street
London
W1U 7EU

Shay Bannon & Sarah Rayment
Joint Administrators
2 October 2012

One Blackfriars Limited - In Administration

Statement of fees and expenses paid and accrued in the period 14 April 2012 to 2 October 2012

Account	Incurred In Period	Accrued In Period	Total In Period
Bank Charges	40	-	40
Joint Administrators' Fees	-	11,006	11,006
	<u>40</u>	<u>11,006</u>	<u>11,046</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 2/10/2012

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 £	
B 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 54
C Planning and Strategy	7 00	4,478 00	5 25	2,031 75			1 35	330 75	1 20	186 40			14 80	7,026 90	474 79
D Case Progression	60 10	38,125 00	131 80	51,406 65			27 35	6,700 75	71 70	11,208 50	27 70	2,647 20	318 65	110,088 10	345 48
E Assets Realisation / Dealing	77 00	45,674 00	113 45	44,784 05			4 50	1,102 50	0 50	122 50			195 45	91,683 05	469 09
F Trading Related Matters	0 50	265 00					1 00	245 00					1 50	510 00	340 00
G Employee Matters									0 35	53 55			0 35	53 55	153 00
H Creditor Claims	3 00	1,846 00	11 90	4,602 30					1 55	228 60	0 15	14 40	16 60	6,691 30	403 09
I Reporting	16 70	9,107 00	46 15	17,795 55			6 00	1,470 00	36 05	6,025 85	5 15	494 40	110 05	34,892 80	317 06
J Distribution & Closure			1 10	392 70			3 25	796 25					4 35	1,188 95	
K Work	166 45	100,622 65	320 65	125,232 50			43 45	10,645 25	113 75	18,192 60	35 00	3,348 00			

Net Total	679 30	258,041 00
Other Disbursements		1,719 07
Billed		-158,763 38
Grand Total		£100,996 69