

Joint Liquidators' progress report for the period 1 November 2022 to 31 October 2023

Thayer Properties Limited
(in Creditors' Voluntary Liquidation)

21 December 2023

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This report has been prepared by GE Bruce and EJ Macnamara as Joint Liquidators of the Company, solely to comply with the Joint Liquidators' statutory duty to report to creditors under Insolvency (England & Wales) Rules 2016 ("IR16") on the progress of the liquidation, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company. Any estimated outcomes for creditors included in this report are illustrative only and based on a range of assumptions and estimates. It cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, Thayer Properties Limited, the Liquidators, their firm, its members, partners, staff and advisers accept no liability to any party for any reliance placed upon this report.

GE Bruce and EJ Macnamara 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 bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

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Section 1: Progress during the reporting period

Introduction

This is the twelfth progress report prepared by the Joint Liquidators (the “Liquidators”) of Thayer Properties Limited (“Thayer” or the “Company”).

This report provides an update on the work that the Liquidators have undertaken, and the progress made since their appointment, with particular focus on the progress made in the period 1 November 2022 to 31 October 2023 (the “Reporting Period”).

Debtor realisations

Eldon Street Holdings Limited (“ESH”)

Thayer’s principal remaining asset is its £204,769,129 claim against ESH. To date, ESH has declared and paid to Thayer eleven interim dividends totaling £98,531,346, equivalent to 48.118 pence in the pound.

Further distributions from ESH will depend on the timing and quantum of ESH’s final receipt of statutory interest from Lehman Brothers Holdings Plc (“LBH”) together with any further realisations ESH makes from its subsidiary Eldon Street (Fidenza) Limited.

ESH’s receipt of statutory interest from LBH will be impacted by the issue referred to in LBH’s most recent progress report as “Partial Discharge” where, in the light of the Court of Appeal’s decision in the 2021 Priority Litigation, a challenge has been raised by LBH’s subordinated creditors as to the appropriate method of calculating statutory interest, given ESH’s receipt of guarantee payments from LBHI. The LBH administrators are presently consulting with LBH’s creditors to identify a consensual solution to facilitate LBH making a final payment of statutory interest.

Eldon Street (Fidenza) Limited also holds investments in two Joint Venture arrangements; one in residential development sites in the UK, the other in relation to an Italian shopping centre. The timing and quantum of recoveries from these assets remains uncertain.

LBH

In our previous updates we explained that Thayer Group Limited (“TGL”), a wholly owned, Jersey-registered subsidiary of the Company, had assigned to the Company, a claim that it held against LBH in respect of an entitlement to receive post-administration statutory interest on a debt where the principal amount has been fully repaid.

Shortly after the end of the Reporting Period, LBH paid to the Company its remaining post-administration statutory interest entitlement of £5,993,632.

Outcome for Creditors

The Company has no secured or preferential creditors. Unsecured claims totalling c.£392.0m have been admitted for dividend purposes, however, creditors may recall that in 2019 the claims of its Jersey-registered

subsidiaries were released in order to simplify the circuitous cashflows. The claims of the remaining unsecured creditors total c.£173.0m.

Total cash distributions of £158.0m have been paid to date, equating to a cumulative dividend of 60.2477 pence in the pound. In view of the matters described above in relation to ESH, there remains uncertainty as regards the timing and quantum of further interim distributions from the Company.

Corporation Tax

All corporation tax returns up to and including the year ended 31 October 2020 have been filed and are now past the enquiry window. The returns for the years ended 31 October 2021 and 31 October 2022 have been filed and are currently still within His Majesty's Revenue and Customs' ("HMRC") window of enquiry period.

The Liquidators have met their obligations under the Senior Accounting Officer legislation and have complied with their obligation to publish the Lehman group Tax Strategy. In addition, the Liquidators have adhered to the UK and US Foreign Account Tax Compliance Act and Common Reporting Standards, and have considered their obligations under the Corporate Criminal Offence rules.

VAT

The Company's VAT returns are up to date. As the Company is a fully exempt business for VAT purposes, there have been no recoveries on payments in the period.

Liquidators' investigations and action

Nothing has come to the Liquidators' attention during the Reporting Period to suggest that they need to do any more work in line with their duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice 2.

Next report and enquiries

The Liquidators will circulate their next report in approximately 12 months' time or at the end of the Liquidation, whichever is sooner. If any creditor has any queries in the meantime, please contact Diane Adebowale on +44 (0) 20 7583 5000.

Signed



GE Bruce
Joint Liquidator
Thayer Properties Limited

Section 2: Statutory information

<i>Full name:</i>	Thayer Properties Limited
<i>Former Company name:</i>	Bindford Limited
<i>Registered number:</i>	04108259
<i>Registered address:</i>	7 More London Riverside, London, SE1 2RT
<i>Date of the Liquidators' appointment:</i>	1 November 2012
<i>Name and address of the Liquidators:</i>	GE Bruce and EJ Macnamara of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
<i>Change in Liquidator:</i>	<p>Upon an application to the High Court of Justice, an order was made on 22 March 2013 that GE Bruce and JG Parr be appointed Liquidators and that DA Howell and MJA Jervis cease to be Liquidators of the Company.</p> <p>Upon a further application to the High Court of Justice, an order was made on 2 July 2018 that with effect from 16 July 2018 EJ Macnamara be appointed Liquidator and that AV Lomas and JG Parr cease to be Liquidators of the Company.</p>
<i>Dates of preceding Administration:</i>	20 July 2010 to 31 October 2012

Section 3: Financial information

Receipts and payments account

An account of the receipts and payments for the Reporting Period, together with a cumulative total since commencement of the Liquidation, is set out in Section 4.

Liquidators' expenses

Set out in Section 5 is a statement of expenses incurred by the Liquidators since their appointment, together with an estimate of future expenses.

Liquidators' remuneration

In accordance with resolutions passed whilst Thayer was in Administration, at the initial creditors' meeting held on 8 November 2010, the former Administrators' fees were fixed by reference to the time properly given by them and the various grades of their staff. In accordance with the Insolvency (England & Wales) Rules 2016 ("IR16"), the remuneration basis agreed in the Administration has continued in the Liquidation.

The following information has been provided in Section 6:

(i) an analysis of the Liquidators' time costs for the Reporting Period, including the cumulative total time costs from the date of the Liquidators' appointment; and

(ii) a summary of the Liquidators' time costs for the Reporting Period, including the key categories of work, details of the work undertaken, an explanation of why the work was necessary and whether or not the work was of financial benefit to the creditors or if it was required by statute.

In line with the creditors' approval, as at 31 October 2023 the Liquidators have drawn total remuneration of c.£1,682k plus VAT in respect of time costs incurred to 31 August 2021.

Time costs for the twelve months to 31 October 2023 total c.£164k plus VAT, which represents 256 hours at an average hourly rate of £641.

Disbursements

The Liquidators are not required to seek approval to draw expenses or disbursements unless they are for shared or allocated services provided by our 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 party who approves the Liquidators' fees.

Category 1 disbursements comprise payments to third parties, for example in relation to travel costs and insolvency office holders' insurance. Approval is not required for Category 1 expenses.

The Liquidators' expenses policy allows for all properly incurred expenses to be recharged to the Liquidation.

In the Reporting Period, the Liquidators incurred Category 1 disbursements and Category 2 disbursements of £23 and £35 respectively. These have not yet been paid.

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 our fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<http://www.icaew.com/~media/corporate/files/technical/insolvency/creditors%20guides/creditors%20guide%20liquidators%20fees%20final.ashx>

Creditors can request a paper copy of the above guide by contacting: uk_lehmanaffiliates@pwc.com.

Section 4: Receipts and payments account for the period ending 31 October 2023

	As at 31/10/2023	GBP Movements in Period	As at 31/10/2022
Receipts			
Administration surplus	3,236,792	-	3,236,792
Dividends received	162,294,463	-	162,294,463
Sale of tax losses	535,891	-	535,891
Interest received	434,087	253,923	180,164
Total receipts	166,501,233	253,923	166,247,310
Payments			
Legal fees	70,253	2,451	67,802
Joint Administrators' remuneration	11,814	-	11,814
Joint Liquidators' remuneration	1,682,265	200,902	1,481,363
Joint Liquidators' Category 1 disbursements	1,998	-	1,998
Employee costs	18,227	-	18,227
Insurance	85	-	85
Corporation tax	427,068	427,068	-
IT Costs	5,741	-	5,741
Statutory Advertising	99,333	-	99,333
Irrecoverable VAT (note 2)	372,370	40,671	331,699
Total payments	2,689,154	671,092	2,018,062
Intercompany transfers			
Payment	-	-	-
Receipt	5,715	-	5,715
Total receipts less total payments	163,817,794	(417,169)	164,234,963
Distributions to unsecured creditors			
1st dividend of 4.25p in the £, declared 12 Mar 2014	16,664,983	-	16,664,983
2nd dividend of 4.27p in the £, declared 5 Sep 2014	16,743,406	-	16,743,406
3rd dividend of 2.4p in the £, declared 15 Apr 2015	9,410,814	-	9,410,814
4th dividend of 5.2p in the £, declared 10 Mar 2016	20,390,097	-	20,390,097
5th dividend of 1.4p in the £, declared 15 Mar 2017	5,489,641	-	5,489,641
6th dividend of 3.184p in the £, declared 11 Sep 2017	12,485,129	-	12,485,129
7th dividend of 2.97p in the £, declared 21 Mar 2018	11,646,261	-	11,646,261
8th dividend of 0.848p in the £, declared 14 Sep 2018	3,325,491	-	3,325,491
9th dividend of 23.391p in the £, declared 13 Sep 2019	40,460,058	-	40,460,058
10th dividend of 5.926p in the £, declared 20th March 2020	10,250,000	-	10,250,000
11th dividend of 0.0738p in the £, declared 24 February 2021	127,637	-	127,637
12th dividend of 0.9658p in the £, declared 16 September 2021	1,670,600	-	1,670,600
13th dividend of 5.3691p in the £, declared 10 March 2022	9,287,064	-	9,287,064
Total distributions	157,951,181	-	157,951,181
Cash in hand/ (movement in year)	5,866,613	(417,169)	6,283,782
Cash balances			
HSBC - current account (note 3)	5,866,613	(417,169)	6,283,782
Total cash	5,866,613	(417,169)	6,283,782

Note:

- 1) All of the Company's assets are uncharged, there being no secured creditors.
- 2) Due to the nature of the Company's former business, it is not entitled to recover input VAT on its costs.
- 3) Funds at HSBC are held in an interest bearing bank account.
- 4) The estimated to realise values of assets shown in the directors' statement of affairs in the preceding Administration do not represent a meaningful comparison with the current position and are therefore excluded.
- 5) Intercompany transfers relates to a previously held US\$ bank account which is now closed.

Section 5: Liquidators' expenses

The information in the table below provides details of the Liquidators' expenses. Expenses are defined as amounts payable by the Liquidators from the estate, they include the Liquidators' fees but exclude distributions to creditors. The table also excludes any potential tax liabilities, other than VAT, that may be payable as a Liquidation expense, as the final amounts becoming due are dependent on the position at the end of the tax accounting period and the impact of any UK legislative tax reform.

The information in the table below should be read in conjunction with the receipts and payments account in Section 4, which shows expenses actually paid during the period and the total paid to date but excludes those incurred which have not yet been paid.

In estimating future expenses, assumptions have been made relevant to the annual run rate and the expected length of the Liquidation.

Sums have been rounded to the nearest £1k.

All amounts are in £000s	Incurred in the period under review	Estimated future	Anticipated total
Legal fees and disbursements	2	198	268
Employee wages and associated costs	-	100	118
Administrators' remuneration and disbursements	-	-	12
Liquidators' remuneration and disbursements	164	283	2,313
Advertising costs	-	33	132
IT costs	-	-	6
Irrecoverable VAT	33	103	544
Total	167	716	3,394

Section 6 Joint Liquidators' time costs

Classification of work	Partner / Director		Senior Manager / Manager		Senior Associate		Associate / Support Staff		Total	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£
Accounting and Treasury	0.90	929	4.60	3,520	6.75	3,443	4.95	1,584	17.20	9,475
Strategy, Planning and Asset Realisations	10.50	11,288	16.20	12,525	11.00	5,610	-	-	37.70	29,423
Statutory and Other Compliance	9.55	9,473	27.80	21,515	94.00	47,955	14.75	4,723	146.10	83,666
Creditors	5.50	5,363	3.70	2,868	3.85	1,964	-	-	13.05	10,194
Tax and VAT	4.50	6,158	26.65	21,523	1.80	918	9.60	3,015	42.55	31,613
Total for the year 1 November 2022 to 31 October 2023	30.95	33,209	78.95	61,951	117.40	59,889	29.30	9,322	256.60	164,371
Average hourly rate for the year to 31 October 2023										641
Cumulative total to 31 October 2023										2,023,884

Notes:

(1) The cumulative total refers to the time costs incurred to 31 October 2023, of which £1,682,265 plus VAT has been paid to date.

(2) Time costs are net of VAT.

Cumulative total to 5 November 2023, by classification of work	£
Accounting and Treasury	209,433
Strategy, Planning and Asset Realisations	619,706
Statutory and Other Compliance	521,827
Creditors	172,546
Tax and VAT	500,374
Total	2,023,884

Maximum charge-out rates £/hour

Restructuring & Insolvency Forensics	£/hr
Partner	1,060
Director	975
Senior Manager	775
Manager	625
Senior Associate	510
Associate/support staff	320

We call on colleagues in our Tax department where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Tax Data & Technologist	£
Partner	1,385
Director	1,310
Senior Manager	1,060
Manager	775
Senior Associate	570
Associate	315

Summary of the Joint Liquidators' time costs for the twelve months ended 31 October 2023

Accounting and Treasury - £9,475

This is an essential function for the management of funds held by the Liquidators on behalf of the Company. The Liquidators' treasury and cash management teams monitor and control the movement of funds, mitigate risk and seek to maximise the interest made on investments (where applicable) for the benefit of the Company's creditors:

- Provision of information for the purposes of statutory reporting;
- Due consideration of best strategy for dealing with cash;
- Arrangement of receipts and payments of funds and coding of movements;
- Reconciliation of bank accounts;
- Verification of creditors' payment details and processing of the thirteenth dividend payment; and
- Monitoring flow of funds into the bank account.

Strategy, Planning and Asset Realisations - £29,423

The Liquidators and their staff have invested a proportion of their time in the planning and delivery of their strategy in order to progress towards the resolution of the key outstanding matters.

- Consideration of strategy including planning of future distributions to maximise the outcome for the Company's creditors and updating strategy documents;
- Discussion with stakeholders in regard to this strategy;
- Ongoing review and maintenance of financial information, including an estimated outcome statement;
- Regular case team meetings to manage case progression; and
- Liaison with specialist internal teams.

Statutory and Other Compliance - £83,666

The following tasks were undertaken in accordance with the Liquidators' statutory obligations and/ or internal compliance:

- Preparation and circulation of the Liquidators' eleventh annual progress report;
- Preparation of receipts and payments account for progress report to creditors;
- Preparation of detailed remuneration summary;
- Dealing with statutory filings at Companies House;
- Preparation of Liquidators' time costs for billing purposes;

- Update communications on the Company's dedicated website;
- Maintain case files and the Liquidation database;
- Undertake the Liquidators' internal six-monthly case reviews in accordance with professional requirements; and
- Deal with other ad-hoc compliance and statutory issues.

Creditors - £10,194

The following tasks were undertaken for the benefit of creditors:

- Review and update of the estimated outcome statement; and
- Considering and addressing enquiries from subsidiaries' shareholders.

Tax and VAT - £31,613

The following tasks were undertaken in accordance with the Liquidators' statutory obligations or internal compliance:

- Reconciliation, preparation and submission of the quarterly group VAT returns;
- Preparation and submission of the 2021 and 2022 corporation tax calculations and returns;
- Reviews of tax provision;
- Compliance with the Administrators' responsibilities under Senior Accounting Officer legislation; legislation;
- Ongoing review of the loss position for the Company under new tax legislation; and
- Submission of forms as required under FATCA legislation.

Section 7: Estimated future time costs and other matters

The Liquidators continue to actively seek the most efficient strategy for realising and distributing the remaining assets to the Company's creditors. The Company's principal remaining asset is its unsecured, admitted claim against ESH. The complexities affecting the Company's future recoveries from ESH have been outlined earlier in the report.

The Liquidators currently estimate that their future time costs and disbursements to complete the Liquidation will be c.£283k broadly analysed as follows:

Classification of work	£000s
Accounting and Treasury	23
Strategy, Planning and Asset Realisations	100
Statutory and Other Compliance	80
Creditors	40
Tax and VAT	40
Total	283

The above figures assume that:

- Time costs relating to compliance and maintenance of the case will be incurred at a similar rate to those incurred in the Reporting Period; and
- There will be further distributions to unsecured creditors.

Relationships

The Liquidators have no business or personal relationships with the parties who approve their fees or who provide services to the Liquidation where the relationship could give rise to a conflict of interest.

Details of subcontracted work

Certain centralised services are undertaken on behalf of the Company by employees retained by Lehman Brothers International (Europe) and LB SF Warehouse Ltd for their prior and ongoing knowledge of the Company's affairs. Included in these services are the provision of certain tax and VAT services. The benefit to the Company's creditors is through cost savings. This is because the Liquidators consider it more efficient that this work is carried out by subcontractors and by the centralisation of services.

The costs of such services are recharged to the Company on a time costs basis and are invoiced directly to the estate. No costs were paid in relation to these services in the Reporting Period. Prior costs are shown as employee costs in the receipts and payments account in Section 4.

Legal and other professional firms

The Liquidators have instructed the following professionals on this case. The selection of individual legal firms is determined by the jurisdiction and nature of the advice being sought, and whether a conflict exists.

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal services:	<i>Linklaters LLP</i>	<i>Industry knowledge</i>	<i>Time costs</i>
Legal services:	<i>Squire Patton Bogg (UK) LLP</i>	<i>Industry knowledge</i>	<i>Time costs</i>

All professional firms instructed by the Liquidators are required to provide a narrative explanation in support of invoices. All invoices are reviewed before being approved for payment. The Liquidators are satisfied that the level of legal and professional costs is appropriate.



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