

# Statement as to the Affairs of THI Plc

On the 4 April 2001

## Affidavit

I, John David Henley, Company Director

Of

16 Broomfield Ride, Oxshott, Leatherhead, Surrey

Make oath and say that the several pages exhibited hereto and attached are to the best of my knowledge and belief a full, true and complete statement as to the affairs of THI Plc as at 4 April 2001 and that the said company carried on business as a property developer.

Sworn at ..... *Chester* .....

Dated ..... *13 JUN 2001* .....

Signature ..... *John Henley* .....

Before me ..... *[Signature]* .....

**D. C. WILLIAMS,  
29, WHITE FRIARS,  
CHESTER,  
SOLICITOR**



# Statement as to the Affairs of THI Plc

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On the 4 April 2001

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## Affidavit

I, Carl Alexander Lewis, Company Director

Of

Badgers Croft, Caldy Wood, Wirral, Cheshire

Make oath and say that the several pages exhibited hereto and attached are to the best of my knowledge and belief a full, true and complete statement as to the affairs of THI Plc as at 4 April 2001 and that the said company carried on business as a property developer.

Sworn at Chester

Dated 13 JUN 2001

Signature Carl Alexander Lewis

Before me [Signature]

**D. C. WILLIAMS,  
29, WHITE FRIARS,  
CHESTER.  
SOLICITOR**

**THI Plc**  
**Motor Vehicles**

|                       | Net Book Value | HP Creditor     | Asset Value   | Estimated To Realise |
|-----------------------|----------------|-----------------|---------------|----------------------|
|                       | £              | £               | £             | £                    |
| Jaguar XJ6 Sport      | 6,180          | 0               | 6,180         | 5,000                |
| Land Rover Discovery  | 12,406         | 0               | 12,406        | 10,000               |
| Range Rover 4.6 Vogue | 40,570         | (28,578)        | 11,992        | 0                    |
| Other HP outstanding  | 0              | (13,626)        | (13,626)      | (13,626)             |
|                       | <b>59,156</b>  | <b>(42,204)</b> | <b>16,952</b> | <b>1,374</b>         |

## A Summary of Assets

### ASSETS

#### Assets specifically pledged:-

|   | Note | Book Value         | Estimated To Realise |
|---|------|--------------------|----------------------|
|   |      | £                  | £                    |
| Debtor due from THI Alava SA                | 1    | 4,992,567          | 0                    |
| Debtor due from THI Retail EP Limited       | 2    | 1,296,023          | 1,296,023            |
| Pledge over shares in THI Retail EP Limited | 2    | 2                  | 2,703,977            |
|   |      | <hr/>              | <hr/>                |
|   |      | 6,288,592          | 4,000,000            |
| Amount due to Secured creditor              |      | (15,299,291)       | (15,489,797)         |
| Shortfall to secured creditor               |      | <b>(9,010,699)</b> | <b>(11,489,797)</b>  |

#### Assets not specifically pledged

|   |   |            |           |
|---|---|------------|-----------|
| Fixtures & Fittings                     |   | 47,563     | 5,000     |
| Motor Vehicles (See schedule)           |   | 16,952     | 1,374     |
| Investment in THI Leisure Founder       | 3 | 2          | 300,000   |
| Investment in THI European Holdings Ltd | 4 | 2          | 3,000,000 |
| Investments in other subsidiaries       | 5 | 15,819     | 0         |
| Participative loans - Spain             |   | 365,395    | 0         |
| Work in Progress                        | 6 | 4,756,859  | 0         |
| Debtors                                 |   | 281,843    |           |
| Inland Revenue                          |   | 346        | 346       |
| Prepayments                             |   | 75,989     | 0         |
| VAT debtor                              |   | 44,745     | 44,745    |
| Intercompany debtors (see schedule)     |   | 17,043,085 | 9,308,030 |
| Cash and bank                           |   | 681,597    | 681,597   |

#### Estimated total assets available for preferential creditors

**23,330,197**

**13,341,092**

## A1 Summary of Liabilities

Estimated To  
Realise

£

**Estimated total assets available for preferential  
Creditors (carried from Page A)**

13,341,092

### Liabilities

#### Preferential creditors

Inland Revenue PAYE / NI (58,907)

(58,907)

**Estimated surplus as regards preferential creditors**

13,282,185

#### Debts secured by a floating charge

Shortfall to secured creditor under fixed charge

(11,489,797)

**Estimated surplus of assets available for  
non-preferential creditors**

1,792,388

#### Non-preferential claims

Preference dividend payable (171,658)

Trade creditors (725,527)

Bank interest accrued (76,503)

Provision for amount due to Bolton Metro under Guarantee (3,442,487)

Provision for amount due to MUVA under Guarantee (1,955,578)

Other accruals (331,254)

Rolled up guarantee fees accrued (5,514,597)

Payments in lieu of notice (200,000)

(12,417,604)

**Estimated deficiency as regards creditors**

(10,625,216)

#### Issued & Called up Capital

Preference Shares (400,000)

Ordinary Shares (176,000)

(576,000)

**Estimated total deficiency as regards members**

(11,201,216)

Signature \_\_\_\_\_

Date \_\_\_\_\_

## Notes

- 1 THI Alava SA is the single purpose vehicle for the development of Vitoria in Spain. The most tax efficient route for a disposal of this asset is via the sale of the Dutch holding company. This will not create a cash balance in the Spanish company and so the debtor is not recoverable.
- 2 There are four units that remain to be let on the retail development at Cheshire Oaks. The THI appraisal had assumed that those four units would generate c £5.2m of cash. The Statement of Affairs shows a total realisation of £4m. This is considered to be a fair value given the necessity to generate cash quickly under the receivership and the likely discounts to be offered to tenants.
- 3 The Statement of Affairs deals with the £4m as settlement of the existing debtor and then the remaining value is available to THI Plc as the shareholder.
- 4 THI Leisure Founder Limited should be able to dispose of the minority stake it carries in The THI Leisure Fund for c£2.5m. It then has £2.2m of creditors to deal with (including £668k to THI Plc). This will leave c£300k to be distributed to THI Plc as shareholder.
- 5 THI European Holdings Limited will receive the proceeds from Holland if THI Alava BV is sold. The directors had envisaged the tax efficient disposal of the Vitoria development via the sale of this Dutch subsidiary. Under the receivership however, the directors' view is that this asset will realise only £3m.
- 6 The directors do not believe that any other subsidiary companies are capable of being sold.
- 6 Much of the WIP balance in THI Plc relates to rolled up interest on the Alcobendas project. This is not capable of realising any cash. Nor do the directors believe that any of the other WIP is capable of being realised following the receivership.

**THI Plc**  
**Intercompany debtors**

|                           | Book<br>Value | Estimated To<br>Realise | Note |
|---------------------------|---------------|-------------------------|------|
|                           | £             | £                       |      |
| Luton                     | 16,776        | 0                       |      |
| Finchley                  | 99,641        | 70,000                  | 1    |
| Bristol                   | 119,892       | 119,892                 |      |
| THI Asset Management      | 54,518        | 54,518                  |      |
| THI Leisure Wolverhampton | 1,800,729     | 1,500,000               | 2    |
| THI GmbH                  | 253,088       | 0                       |      |
| THI Leisure SA            | 3,820,616     |                         |      |
| THI Sant Cugat SA         | 44,980        | 0                       |      |
| THI Leisure EP Ltd        | 1,255,617     | 949,985                 | 3    |
| Wrotham                   | 599,630       | 450,000                 | 4    |
| Dartford                  | 624,637       | 0                       |      |
| Camberley                 | 300,881       | 0                       |      |
| FountainPark              | 147,826       | 147,826                 |      |
| Conwy                     | 721           | 0                       |      |
| Bolton                    | 110,248       | 3,000                   |      |
| Bolton II                 | 327,368       | 327,368                 |      |
| THI European Holdings     | 6,780,476     | 5,000,000               | 5    |
| THI Leisure Founder       | 668,533       | 668,533                 | 6    |
| European BV               | 16,908        | 16,908                  |      |
|                           | 17,043,085    | 9,308,030               |      |

**Notes**

- 1 The directors anticipate that c£70k will be recovered from The London Borough of Barnet to settle this intercompany.
- 2 The directors anticipate that c£1.5m will be recovered from the disposal of land at Wolverhampton.
- 3 The difference between the debtor due from THI Leisure Founder in THI Leisure EP Limited and the trade creditors owed in Leisure EP
- 4 The directors anticipate that c£450k will be recovered from the disposal of land at Wrotham.
- 5 THI European Holdings Limited will receive the cash from the balancing payment at the end of the Alcobendas project. Given the receivership position, the directors believe that this will be c£5m.
- 6 THI Leisure Founder Ltd has a minority stake in the THI Leisure Fund

**THI Plc**  
**Trade creditors**

| Name of Creditor            | Address | Amount of Debt | Details of any Security Held |
|-----------------------------|---------|----------------|------------------------------|
| Airtree Racecourse          |         | (10,575.00)    | None                         |
| Initial A - Z               |         | 624.69         | None                         |
| Aon                         |         | 4,462.50       | None                         |
| ADG Leisure Planners        |         | 16,506.30      | None                         |
| Admiral Signs               |         | 112,247.75     | None                         |
| BT                          |         | 1,957.25       | None                         |
| Brighter Cleaning Services  |         | 737.90         | None                         |
| Buckingham Dry Cleaners     |         | 718.32         | None                         |
| BEC Office Machines         |         | 586.10         | None                         |
| Bolton Metro                |         | 4,039.70       | None                         |
| BT Cellnet                  |         | 3,806.40       | None                         |
| Chester City Council        |         | 4,356.00       | None                         |
| Classic Wines               |         | 36.66          | None                         |
| City of Westminster         |         | (1,255.64)     | None                         |
| Chauffeur Cars              |         | 867.52         | None                         |
| Charterhouse Mercantile     |         | 5,898.46       | None                         |
| Cardales                    |         | 17,994.17      | None                         |
| Crabwall Manor              |         | (7,335.93)     | None                         |
| Central Office Ltd          |         | 128.18         | None                         |
| COLT                        |         | 651.75         | None                         |
| Computer Cab                |         | 1,682.57       | None                         |
| Marston Hotels              |         | 579.28         | None                         |
| Orrrod & partners           |         | 15,627.50      | None                         |
| Comunicado                  |         | 1,506.93       | None                         |
| Deva deliveries             |         | 446.62         | None                         |
| Diplomat Coffee             |         | 50.76          | None                         |
| Domaine Direct              |         | 1,977.52       | None                         |
| DHL International           |         | 115.76         | None                         |
| The Dorchester              |         | 1,201.75       | None                         |
| Diamond Despatch            |         | 185.66         | None                         |
| Du Pre                      |         | 345.39         | None                         |
| DLA & Partners              |         | 5,943.81       | None                         |
| Eastern Electricity         |         | 72.95          | None                         |
| Ellesmere Port & Neston BC  |         | 153,794.31     | None                         |
| European Leisure management |         | 3,525.00       | None                         |
| Eurooffice Ltd              |         | 106.32         | None                         |
| Forbuys Plc                 |         | 70.90          | None                         |
| Fiore Cleaning              |         | 1,482.86       | None                         |
| Filesafe                    |         | 52.55          | None                         |
| Finch Advertising           |         | 575.75         | None                         |
| Gerrard Seal                |         | 225.60         | None                         |
| Garner Bennett              |         | 1,170.50       | None                         |
| Graydon UK Ltd              |         | 45.82          | None                         |
| Higgs & Hill                |         | 8,920.60       | None                         |
| Hattrell & partners         |         | 637.99         | None                         |



**THI Plc**  
**Trade creditors**

| Name of Creditor              | Address | Amount of Debt    | Details of any Security Held |
|-------------------------------|---------|-------------------|------------------------------|
| Intercoel Communications      |         | £ 2,533.48        | None                         |
| John Venn                     |         | 68.17             | None                         |
| J&A Consultants               |         | 12,000.00         | None                         |
| KPMG                          |         | 27,000.00         | None                         |
| Konica Business Machines      |         | 239.19            | None                         |
| Lex                           |         | 1,219.60          | None                         |
| Language Line                 |         | 1,821.28          | None                         |
| Lucia Seratoni                |         | 13.00             | None                         |
| Leisure Installation Service  |         | 233,302.13        | None                         |
| Manches & Co.                 |         | 3,495.63          | None                         |
| Mott MacDonald                |         | 2,496.88          | None                         |
| Margolis Office Interiors     |         | 283.75            | None                         |
| Nabarro Nathanson             |         | 449.28            | None                         |
| NTL Group Ltd                 |         | 166.23            | None                         |
| Nature Springs Water co Ltd   |         | 111.81            | None                         |
| Oscar Faber                   |         | 5,875.00          | None                         |
| PDC Copyprint                 |         | 917.14            | None                         |
| Portman Travel                |         | 40,911.16         | None                         |
| Parity Computers              |         | 182.13            | None                         |
| Penkeths                      |         | 226.94            | None                         |
| Reid Minty                    |         | 2,820.00          | None                         |
| Rybrook                       |         | 70.50             | None                         |
| Road Range                    |         | 364.13            | None                         |
| Insignia Richard Ellis        |         | 2,506.35          | None                         |
| Reflex Systems Ltd            |         | 35,250.00         | None                         |
| Swankys                       |         | 391.59            | None                         |
| Sparkling Spring Water UK Ltd |         | (23.77)           | None                         |
| Service Point                 |         | 3,620.89          | None                         |
| Taylor Joynson Garrett        |         | 857.75            | None                         |
| West One Stationers           |         | 345.99            | None                         |
| West Wallasey Car Hire Ltd    |         | 1,242.57          | None                         |
| WSP Consulting Engineers      |         | 11,439.17         | None                         |
| Adjustments                   |         | (23,480.00)       |                              |
|                               |         | <u>725,526.65</u> |                              |

**THI Plc**  
**Intercompany creditors**

|               |
|---------------|
| Book<br>Value |
|---------------|

|   |
|---|
| £ |
|---|

|                             |         |
|-----------------------------|---------|
| THI Leisure Boldon          | 60,767  |
| THI Leisure Partner         | 31,183  |
| THI Leisure Sheffield       | 251,654 |
| THI Europe BV               | 9,400   |
| THI Greece EPE              | 160,676 |
| European Franchises         | 2,646   |
| THI Leisure Two Partnership | 1,690   |

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518,016