

The Insolvency Act 1986

# S.48(1)

## Administrative Receiver's Report

Pursuant to Section 48(1) of the Insolvency Act 1986 and Rule 3.8(3) of the Insolvency Rules 1986

To the Registrar of Companies

For Office Use

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Company Number

02880822

Insert full name of company

Name of Company

THI Plc

We, Alan Robert Bloom and Robert Hunter Kelly

of Ernst & Young  
Cloth Hall Court  
14 King Street  
Leeds  
LS1 2JN

Administrative Receivers of the company attach a copy of our report to creditors and a copy of the statement of affairs of the Company

Signed *RA Kelly* Dated 4/2/01

Presenter's name, address and reference (if any):

Claire Winder  
Ernst & Young  
Cloth Hall Court  
14 King Street  
Leeds  
LS1 2JN

For Office Use

Liquidation Section	Post Room
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TO ALL CREDITORS

14 June 2001

AR/CGJK/SCW

Direct line: 0113 298 2433

E-mail: cwinder@cc.ernsty.co.uk


Dear Sirs

**THI PLC (IN ADMINISTRATIVE RECEIVERSHIP)**

I write further to my appointment as Joint Administrative Receiver of the above company and enclose a formal notice convening the statutory meeting of creditors.

*The purpose of the meeting is to present my report to creditors in accordance with section 48 of the Insolvency Act 1986 and, if thought fit, to appoint a creditors' committee. I also enclose a form of proxy to enable you, if you wish, to nominate a representative to attend on your behalf. I should be obliged if any creditors proposing to attend would inform my office prior to the date of the meeting, and return the enclosed proxy form.*

Yours faithfully  
for THI Plc

  
C G J King  
for A R Bloom  
Joint Administrative Receiver

Enc: notice of meeting  
form of proxy

**THI PLC  
(IN ADMINISTRATIVE RECEIVERSHIP)**

**JOINT ADMINISTRATIVE RECEIVERS' REPORT**

**PURSUANT TO SECTION 48  
OF THE INSOLVENCY ACT 1986**

THI PLC  
(IN ADMINISTRATIVE RECEIVERSHIP)

ALAN ROBERT BLOOM AND ROBERT HUNTER KELLY APPOINTED JOINT  
ADMINISTRATIVE RECEIVERS ON 4 APRIL 2001

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**STRICTLY PRIVATE AND CONFIDENTIAL  
NOT FOR PUBLICATION**

THI PLC (IN ADMINISTRATIVE RECEIVERSHIP)  
JOINT ADMINISTRATIVE RECEIVERS' REPORT

1. INTRODUCTION

- 1.1 We, A R Bloom and R H Kelly were appointed Joint Administrative Receivers of THI Plc ("the Company") on 4 April 2001 by Lend Lease International Pty Limited ("Lend Lease"), under the terms of a debenture dated 13 July 2000.

2. STATUTORY INFORMATION

- 2.1 Statutory information is set out at Appendix I.

3. TRADING RESULTS

- 3.1 Recent financial information is set out at Appendix II and Appendix III.

4. EVENTS LEADING UP TO APPOINTMENT OF JOINT ADMINISTRATIVE RECEIVERS

- 4.1 The original business was established in 1987 and the Company was incorporated in December 1993. It operated as holding company to a number of special purpose subsidiaries involved in the development of retail and leisure facilities both in town centres and out of town locations in the UK and in recent years Germany, Italy and Spain.
- 4.2 The Company operated from leasehold premises at Lower Bridge Street, Chester and Grosvenor Square, London.
- 4.3 The Company started to encounter cash flow difficulties due to two significant litigation claims in excess of £3.5million as a result of guarantees provided in respect of two subsidiaries.
- 4.4 THI Plc had guaranteed the obligations of its subsidiary in respect of a compulsory purchase of land in Bolton. The amount payable under the order exceeded the expectations of THI Bolton Park Developments Limited ("BPDL"), resulting in a liability in excess of £3million to Bolton Metropolitan Borough Council. Bolton Metropolitan Borough Council had served a statutory demand in respect of £2.4million of this amount and threatened a winding up petition against BPDL and THI Plc as guarantor.
- 4.5 A further claim in excess of DM5.7million was being pursued by Muller & Altratter Bauunternehmung GmbH & Co KG in respect of a guarantee given by THI Plc on behalf of its German subsidiary THI Herne GmbH which had already entered insolvency proceedings in Germany.
- 4.6 The directors recognised that the Company was unable to meet its liabilities and that trading could not continue. Following an invitation from the directors, we were subsequently appointed Joint Administrative Receivers by Lend Lease on 4 April 2001.

5. CONDUCT OF THE RECEIVERSHIP

- 5.1 Following our appointment we reviewed the Company's position and that of a number of subsidiaries with ongoing developments. We considered that the most favourable outcome for the debenture holders and creditors generally would be to continue parent company support to certain of these subsidiaries where ultimate value was evident.
- 5.2 The only significant assets held by the Company are its investment in subsidiary companies and inter-company debts owing from these subsidiaries, a large number of which were dormant.
- 5.3 Our strategy continues to be to support those subsidiaries where future value exists in order to achieve repayment of inter company debt to THI Plc and/or distribution by way of dividend.
- 5.4 At the time of our appointment the Company operated eight motor vehicles which were all held on finance.
- 5.5 Miscellaneous fixtures, fittings and computer equipment located in both offices are anticipated to have limited value.

6. AMOUNTS DUE TO SECURED CREDITORS

- 6.1 The amount due to Lend Lease at the date of our appointment was £14,821,829.

7. PREFERENTIAL CREDITORS

- 7.1 Preferential creditors at 4 April 2001 are estimated at £70,269, comprising:

	£
Department for Education and Employment and Employees wages and holiday pay	10,000
HM Customs & Excise - VAT	-
Inland Revenue (PAYE and NIC)	60,269
	<hr/>
	70,269
	<hr/> <hr/>

- 7.2 We anticipate that preferential creditors will be paid in full but we are not in a position to indicate the timing of any distributions as these are subject to realisations within the subsidiaries.

8. UNSECURED CREDITORS

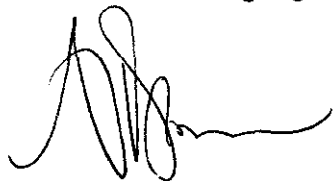
8.1 We believe that it is highly unlikely that there will be sufficient funds available from the realisation of assets to enable a distribution to the non-preferential unsecured creditors.

9. STATEMENT OF AFFAIRS

9.1 We have requested a Statement of Affairs from the directors but to date this has not been provided. We have reminded the directors of their legal responsibility to provide a Statement of Affairs and hope to make this document available to the creditors at the meeting.

10. MEETING OF CREDITORS

10.1 A meeting of creditors will be held at Cliffords Inn Conference Centre, Fetter Lane, London, EC4A 1LD on 3 July 2001 at 10.30am to receive our report on the conduct of the receivership. This report will be presented at the meeting and no further information is expected to be available. We enclose formal notice of the meeting together with a form of proxy.

A handwritten signature in black ink, appearing to be a cursive representation of the names A R Bloom and R H Kelly.

A R Bloom and R H Kelly  
Joint Administrative Receivers

14 June 2001

THI PLC  
(IN ADMINISTRATIVE RECEIVERSHIP)

Appendix I

STATUTORY INFORMATION

Company Name	THI Plc	
Company Number	02880822	
Date of Incorporation	9 December 1993	
Registered Office	22 Grosvenor Square London W1X 9LF	
Directors	CA Lewis JD Henley	
Company Secretary	JD Henley	
Issued Share Capital	576,000 shares of £1 each	
Shareholders:		
A-ordinary	C A Lewis	500
A-ordinary	J D Henley	250
B-ordinary	Lend Lease	125
C-deferred	Lend Lease	175,124
C-special deferred	Swan Hill Plc	1
Preference shares	Lend Lease	400,000
Joint Administrative Receivers	Alan Robert Bloom and Robert Hunter Kelly Ernst & Young PO Box 61 Cloth Hall Court 14 King Street Leeds LS1 2JN	
Date of Appointment	4 April 2001	
Date of Debenture	13 July 2000	



THI PLC  
(IN ADMINISTRATIVE RECEIVERSHIP)

Appendix II

TRADING RESULTS

The consolidated trading results have been extracted from the audited accounts for the years ended 31 December 1998, 31 December 1999 and management accounts for the year ended 31 December 2000.

PROFIT AND LOSS ACCOUNT - CONSOLIDATED

	<i>Management</i> <i>52 weeks</i> <i>ended</i> <i>31/12/00</i> <i>£'000</i>	<i>Audited</i> <i>52 weeks</i> <i>ended</i> <i>31/12/99</i> <i>£'000</i>	<i>Audited</i> <i>52 weeks</i> <i>ended</i> <i>31/12/98</i> <i>£'000</i>
Turnover	51,949	90,718	54,410
Operating profit/(loss)	(2,354)	8,476	(2,928)
Pre-tax profit/(loss)	(3,556)	3,549	(2,716)
Retained profit/(loss)	(5,879)	1,355	(2,865)

BALANCE SHEET

Fixed assets	2,624	2,717	3,068
Current assets	33,116	47,903	42,143
Creditors: amounts falling due within 1 year	(20,071)	(26,987)	(21,795)
	-----	-----	-----
Net current assets / (liabilities)	13,045	20,916	20,348
Total assets less current liabilities	15,669	23,633	23,416
Creditors: amounts falling due after 1 year	(20,524)	(22,910)	(24,456)
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Net assets	(4,855)	723	(1,040)
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Capital and reserves:			
Share capital	576	576	576
Share Premium account	50	50	50
Profit and loss account	(5,879)	1,355	(2,865)
Profit and loss reserves b/f	(903)	(2,258)	607
Exchange reserve	21	40	(48)
Finance costs of non-equity shares	1,280	960	640
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	(4,855)	723	(1,040)
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THI PLC  
(IN ADMINISTRATIVE RECEIVERSHIP)

Appendix III

TRADING RESULTS

The Company's trading results have been extracted from the management accounts for the years ended 31 December 1998, 31 December 1999 and 31 December 2000.

PROFIT AND LOSS ACCOUNT - COMPANY

	<i>Management 52 weeks ended 31/12/00 £'000</i>	<i>Management 52 weeks ended 31/12/99 £'000</i>	<i>Management 52 weeks ended 31/12/98 £'000</i>
Turnover	2,332	3,486	3,727
Operating profit/(loss)	(2,628)	(9,409)	(1,646)
Pre-tax profit/(loss)	(3,705)	(11,594)	(1,245)
Retained profit/(loss)	(4,065)	2,372	(1,606)

BALANCE SHEET

Fixed assets	187	291	557
Current assets	25,918	37,703	35,256
Creditors: amounts falling due within 1 year	(5,343)	(11,101)	(10,070)
Net current assets / (liabilities)	20,575	26,602	25,186
Total assets less current liabilities	20,762	26,893	25,743
Creditors: amounts falling due after 1 year	(20,524)	(22,910)	(24,452)
Net assets	238	3,983	1,291
<i>Capital and reserves:</i>			
Share capital	576	576	576
Share Premium account	50	50	50
Profit and loss account	(4,065)	2,332	(1,606)
Profit and loss reserves b/f	2,397	25	1,631
Exchange reserve		40	
Finance costs of non-equity shares	1280	960	640
	238	3,983	1,291