

The Insolvency Act 1986

**Statement of administrator's proposals****2.17B**

Name of Company Argentwood Limited	Company Number 04532097
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 695 of 2012

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

We (a)

Robert Jonathan Hunt and Karen Lesley Dukes of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT and Nicholas Edward Reed of PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 14 March 2012

Signed

Joint Administrators (IP Numbers 8597, 9369 and 8639)

Dated

9/3/2012

**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.

Katie Osborne	
c/o PricewaterhouseCoopers LLP 7 More London Riverside, London, SE1 2RT	
	Tel 020 7212 4763
DX Number	DX Exchange

THURSDAY



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COMPANIES HOUSE

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Companies House, Crown Way, Cardiff, CF14 3UZ

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**Argentwood Limited – in Administration**

**High Court of Justice, Chancery Division, Companies Court  
Case Number 695 of 2012**

**Joint Administrators' proposals for achieving the purpose of the  
administration**

**14 March 2012**

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## 1. Purpose of this document

I wrote to all creditors on 10 February 2012 to explain that Argentwood Limited ("the Company" or "Argentwood") had entered into Administration and that Karen Lesley Dukes, Nicholas Edward Reed and I had been appointed as Joint Administrators ("the Administrators") on 24 January 2012.

We were appointed as Administrators to manage the affairs, business and property of the Company. We will act until such time as our proposals for achieving the purpose of the Administration have been agreed by creditors and implemented, following which the Administration will be ended.

The purpose of an Administration is to achieve one of the following objectives -

- (a) Primarily, rescuing the company as a going concern, or failing that
- (b) Achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors

For the reasons detailed in this document, objective (c) is being pursued as it was not reasonably practical to rescue the Company as a going concern or achieve a better result for creditors than would be likely if the company were wound up (without first being in Administration)

This document and its appendices form the Administrators' statement of proposals for achieving the purpose of the administration as required by Paragraph 49 Schedule B1 of the Insolvency Act 1986 ("Sch B1 IA86")

As detailed in Section 2, we have formed the view that neither of the first two objectives outlined above can be achieved. Accordingly, by virtue of Paragraph 52(1) Sch B1 IA86, a meeting of creditors is not being convened at this time. In accordance with Rule 2.33(5) of the Insolvency Rules 1986 ("IR86") our proposals will be deemed to have been approved by creditors unless a meeting of creditors is requisitioned in the prescribed manner by at least 10% in value of creditors within 8 business days of the date on which these proposals are circulated. We will write to creditors again after the expiry of this period to confirm the deemed approval of the proposals, or alternatively confirm that a meeting is to be held.

If you have any concerns or questions regarding the background to this case or what is being proposed, please do not hesitate to contact my colleague, Katie Osborne on 020 7212 4768

Signed

... 

R J Hunt

Joint Administrator of Argentwood Limited

*Robert Jonathan Hunt, Karen Lesley Dukes and Nicholas Edward Reed were appointed as Joint Administrators of Argentwood Limited to manage its affairs, business and property as its agents and without personal liability. Robert Jonathan Hunt, Karen Lesley Dukes and Nicholas Edward Reed are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales*

**Argentwood Limited (in Administration) – Joint Administrators' proposals for achieving the purpose of administration**

## 2. The Administrators' statement of proposals

### a. Brief history and summary of the Administrators' actions to date

#### Background

Argentwood was incorporated in 2002 for the purpose of buying and selling real estate. The Company owns the long leasehold to a property containing 35 units and 9 garages. South East Property Services ("SEPS"), a group company, historically acted as managing agent for the leasehold property. SEPS's role includes the collection and management of the ground rents and service charges.

#### The circumstances giving rise to the Administrators' appointment

Longmint Group Limited ("LGL") is the ultimate parent company to Longmint Limited, Proudale Limited, Argentwood and Fast Helicopters Limited (together "the Group"). HSBC Private Bank (UK) Limited ("HSBC") holds a mortgage debenture secured by way of fixed and floating charges (with intra-group guarantees) over the Group's property and assets. Following LGL being placed into Compulsory Liquidation in December 2011, the Group was in default of the terms of the loan from HSBC.

Accordingly, HSBC, sought to secure its position across the Group and following a demand for repayment of the loan, HSBC appointed Administrators to the Group companies.

#### Pre-Administration costs

Between 15 November 2011 and 23 January 2012, before the Company was placed into Administration, but with a view to doing so, PricewaterhouseCoopers LLP ("PwC") incurred pre-Administration time costs of £4,842 (plus VAT).

It is anticipated that the role of PwC in planning for the Administrators' appointment will have contributed towards achieving the purpose of the Administrations by enabling the Administrators to understand the structure and asset base of the Company thereby expediting the realisation of assets and a better outcome for creditors.

DLA Piper UK LLP ("DLA") incurred pre-appointment costs for legal services in relation to the Company. DLA has agreed with HSBC that HSBC is to settle DLA's pre-appointment remuneration outside of the Administration and accordingly this will have no bearing on the outcome to the creditors of the Company.

Work undertaken by PwC and its legal advisors between 15 November 2011 and 23 January 2012 for which time and expenses were incurred include the following:

- Reviewing the financial position of the Company,
- A review of the existing finance and security documents;
- Consideration of key practical issues to be addressed prior to placing the Company into Administration,
- Comparison of other available insolvency procedures,
- Discussions with HSBC, legal advisors and internally regarding the proposed strategy,
- Review of draft appointment documents, and

**Argentwood Limited (in Administration) – Joint Administrators' proposals for achieving the purpose of administration**

## **2. The Administrators' statement of proposals**

- Planning work in relation to the Administration appointment including ethical, compliance and risk procedures

*A statement of the pre-Administration time costs is shown at Appendix A, setting out separately and as required by statute*

- The fees charged by the Administrators-in-waiting;
- The expenses incurred by the Administrators-in-waiting,
- The fees charged, to the Administrators' knowledge, by any other insolvency practitioner, and
- The expenses incurred, to the Administrators' knowledge, by any other insolvency practitioner

### **The manner in which the Company's affairs and business have been managed and financed**

Following their appointment, the Administrators attempted to contact the directors of the Company in order to gather more information on the business and assets. The directors have given minimal assistance to the Administrators to date.

Longmint Limited, also in Administration, is the 100% shareholder of SEPS. The Administrators of Longmint Limited used their shareholding in SEPS to appoint Graham Parcell to the board of SEPS in February 2012. The independent director is now working with the Administrators to ensure that the leasehold property is being managed in the most cost effective fashion and to realise the best value for the benefit of the creditors. The Administrators have retained the services of SEPS as managing agent for Argentwood's leasehold property. Accordingly, the majority of ongoing trading obligations are managed by SEPS.

The Administrators are investigating various avenues to realise the best value of Argentwood's leasehold property for the benefit of creditors.

### **Receipts and payments account**

There have been no receipts or payments in the period 24 January 2012 to 29 February 2012.

### **Objective of the Administration**

As explained above, the Administrators will be pursuing the objective of realising property in order to make a distribution to one or more secured or preferential creditors.

## **2. The Administrators' statement of proposals**

### **Dividend prospects**

The sole asset owned by Argentwood is subject to a fixed charge held by HSBC. Based on current information it is estimated that there will be a shortfall to the HSBC on its lending and as such, no funds will be available to allow for a distribution to any other class of creditor.

### **Ending the Administration**

The Administrators currently envisage that once the objective of the Administration has been achieved, the Administrators will file notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months later.

## 2. The Administrators' statement of proposals

### b. Proposals for achieving the purpose of the Administration

The Administrators make the following proposals for achieving the purpose of administration

- i) The Administrators will continue to manage and finance the Company's business, affairs and property as they consider expedient in order to make a distribution to one or more secured or preferential creditors
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals
- iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator or supervisor of a company voluntary arrangement / scheme of arrangement and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise).
- iv) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue the following option as being the most cost effective and practical in the present circumstances -
  - (a) If it transpires that there are insufficient funds with which to make a distribution to unsecured non-preferential creditors, once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch B1 IA86 with the Registrar of Companies, following registration of which the Company will be dissolved three months
- v) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch B1 IA86 in respect of any action of theirs as Administrators at a time resolved by the secured creditor, or if a distribution has been or may be made to the preferential creditors, at a time resolved by the secured and, if any, preferential creditors or in any case at a time determined by the court
- vi) It is proposed that the unpaid pre-Administration costs detailed at Appendix A are approved for payment as expenses of the Administration. In the circumstances of this case it will be for the secured creditor to approve the payment of the unpaid pre-Administration costs as expenses of the Administration
- vii) It is proposed that the Administrators' fees be fixed under Rule 2.106 of the Insolvency Rules 1986 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No 9) be charged in accordance with the Administrators' firm's policy as set out in Appendix C - as the Administrators have stated that they think that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than possibly by virtue of Section 176A IA86, it will be for the secured creditor and



## **2. The Administrators' statement of proposals**

preferential creditors to determine these instead. In any event, the basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment.

### **c. Estimated financial position**

The Administrators have requested that the directors of the Company prepare a statement of affairs for the Company as at 24 January 2012. To date, no such statement of affairs has been received and there has been very little assistance from the directors.

The Administrators are aware of one asset of the Company, a leasehold property. The Administrators have not yet had a valuation of the property; however, the property's value is estimated to be in the region of £20,000 to £50,000.

## 2. The Administrators' statement of proposals

### d. Statutory and other information

#### Court details for the Administration:

Full name:

High Court of Justice, Chancery Division, Companies Court 695 of 2012

Trading name:

Argentwood Limited

Registered number:

Argentwood Limited

Registered address:

04532097

Company directors:

7 More London Riverside, London, SE1 2RT

Company secretary:

Neil Graham Belis and Lucy Cummings

Shareholdings held by the directors and secretary:

Juliet Mary Susan Bellis

Date of the Administration appointment:

None

Administrators' names and addresses:

24 January 2012

Robert Jonathan Hunt and Karen Lesley Dukes, both of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT

Nicholas Edward Reed of PricewaterhouseCoopers LLP, Benson House, 33

Wellington Street, Leeds, LS1 4JP

HSBC Private Bank (UK) Limited, 8 Canada Square, London, E14 5HQ

Realising property in order to make a distribution to one or more secured or preferential creditors

In relation to paragraph 100(2) Sch B1 IA86, during the period for which the

Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office

Division of the Administrators' responsibilities:

Appointor's / applicant's name and address:

Objective being pursued by the Administrators:

Proposed end of the Administration:

Estimated dividend for unsecured creditors:

Estimated values of the prescribed part and the company's net property:

Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:

The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):

Any other information which the Administrators think necessary to enable creditors to decide whether or not to vote for adoption of the proposals:

Dissolution

Nil

Nil as there are no floating charge assets

Not applicable

The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

None

## Appendix A      Pre-Administration costs

The following are costs incurred prior to the appointment of Administrators but with a view to the Company entering Administration. It is proposed that the unpaid costs will be paid as an expense of the Administration. Such payment is subject to approval under Rule 2.67 of the Insolvency Rules 1986 and not part of the proposals subject to approval under paragraph 53 Sch B1 IA86.

	Unpaid amount (£)	Paid amount (£)
Time costs incurred by the Administrators (excluding VAT)	4,842	-
Expenses incurred by the Administrators	-	-
Fees charged by other persons qualified to act as an insolvency practitioner	-	-
Expenses charged by other persons qualified to act as an insolvency practitioner	-	-
<b>Total (excluding VAT)</b>	<b>4,842</b>	<b>-</b>

## Appendix B      The Administrators' charging and disbursements recovery policy

### Overview of the Administrators' strategy and objectives

Robert Jonathan Hunt, Karen Lesley Dukes and Nicholas Edward Reed were appointed Administrators of the Company on 24 January 2012 with the objective of realising property in order to make a distribution to one or more secured or preferential creditors. As stated earlier in the proposals, the Administrators are currently investigating the most cost effective strategy to realise the best value from Argentwood's leasehold property.

### Summary of legal and other professional firms

The Administrators have instructed the following professionals firms -

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	DLA Piper LLP	Pre-appointment involvement	Time costs

The Administrators require all third party professionals to submit time costs analyses and narrative in support of invoices rendered.

### Office holder's charging and disbursement policy

The time charged to the Administration is by reference to the time properly given by the Administrators and their staff in attending to matters arising

It is the Administrators' policy to delegate tasks in the Administration to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrators themselves.

### Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of the Administrators' staff actually or likely to be involved on this assignment. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

Grade	Maximum rate per hour £
Partner	730
Director	641
Senior Manager	494
Manager	415
Senior Associate	347
Associate	221
Support staff	110

# Appendix B                      The Administrators' charging and disbursements recovery policy

Specialist departments within the Administrators' firm such as Tax, VAT, Property and Pensions may charge a number of hours if and when the Administrators require their expert advice. Such specialists' rates do vary according to levels of experience but the figures below provide an indication of the maximum rate per hour

Grade	Maximum rate per hour £
Partner	1,029
Director	935
Senior Manager	872
Manager	572
Senior Associate	389
Associate	226
Support staff	110

In common with all professional firms, the scale rates used by the Administrators from PricewaterhouseCoopers LLP may periodically rise (for example to cover annual inflationary cost increases) over the period of the Administration. Any material amendments to these rates will be advised to the creditors in the next statutory report.

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Appendix C.

A copy of "A Creditors' Guide to Administrators' Fees" from Statement of Insolvency Practice No 9 produced by the Association of Business Recovery Professionals is available from the Administrators on request.

## **Appendix C                      Statement of creditors' rights**

The IR86 provide for creditors to request further information and challenge the Administrators' remuneration and expenses. The relevant provisions are as follows -

### **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 "

## **Appendix C      Statement of creditors' rights**

### **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.

(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.