Rule 2 47

Form 2 24B(CH)

The Insolvency Act 1986

Administrator's progress report

Name of Company	Company Number
Argentwood Limited	04532097

In the High Court of Justice of England and Wales,	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	695 of 2012

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

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

Joint Administrators of the above Company attach a progress report for the period

(b) Insert dates

from (b) 24 July 2012 to (b) 16 December 2012

Signed ______________________
Joint Administrator

Dated 16/1 /13

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 Oborne	
PricewaterhouseCoopers LLP, 7 More London Riverside, SE1 2RT	
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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**

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Argentwood Limited – in Administration

High Court of Justice, Chancery Division, Companies Court
Case No. 695 of 2012

Joint Administrators' progress report for the period 24 July 2012 to 16 December 2012 in support of a request for consent to extend the Administration pursuant to Paragraph 76(2) of Schedule B1 to the Insolvency Act 1986

2 January 2013

Contents

1. Joint Administrators' progress report for the period from 24 July 2012 to 16 December 2012

Introduction

The term of the office of the Joint Administrators (the "Administrators") of Argentwood Limited (the "Company") is due to end on 23 January 2013.

In accordance with Rule 2 112 of the Insolvency Rules 1986 ("IR86"), the Administrators provide this report in support of a request to an extension for the period of the Administration for six months to 23 July 2013 for the reasons set out in this report

Details of the progress in the Administration for the period 24 July 2012 to 16 December 2012 (the "Period") since the Administrators' previous progress report dated 21 August 2012 are set out below

As you are aware, the Administrators are required to provide certain statutory information pursuant to Rule 2 47(1)(a) to (d) IR86, which is included in Section 2

Progress of the Administration

The Company's only asset is a long term leasehold interest in a block of flats (the "Property") which is which is subject to 33 long term underleases In the Period, South East Property Services Limited ("SEPS") has continued to manage the Property on behalf of the Company

SEPS has brought the property management and accounting information up to date during the Period and Savills plc has reviewed and undertaken a valuation of the property

Whilst the Administrators are in discussions with an interested party regarding the sale of the Property, to date, the Administrators have not been able to agree a mutually acceptable proposal for its disposal.

Receipts and payments account

The Company has had no receipts or payments in the Period.

Expenses statement

A statement of the expenses incurred by the Administrators in the Period is included at Section 3

This does not take account of any potential tax liabilities that may be payable as an expense of the Administration in due course because amounts due will depend on the position at the end of the tax accounting period

Administrators' remuneration

The Administrators believe that the Company will have insufficient property to enable a distribution to be made to non-preferential unsecured creditors including by virtue of the prescribed part Therefore, the basis of the Administrators' remuneration will be agreed by the Company's secured creditors

The time costs incurred in the Period total £15,110 This amount does not necessarily reflect the amounts that will be drawn as remuneration by the Administrators for the Period.

Pre-Administration costs

Information regarding the approval of the unpaid pre-Administration costs previously detailed in the Administrators' proposals can be found at Section 5 of this report

Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 6

Outcome for creditors

<u>Secured creditors</u>

It is currently anticipated that the secured creditors will suffer a shortfall on their lending to the Company

1. Joint Administrators' progress report for the period from 24 July 2012 to 16 December 2012

Preferential creditors

The Administrators are not aware of any preferential claims in the Administration

Unsecured creditors

Based on current information, it is envisaged that there will be insufficient realisations to allow for a distribution to be made to the unsecured creditors, including any prescribed part distribution

Prescribed part

The prescribed part is a fund set aside from asset realisations that would otherwise be available to the holder of a floating charge The value of the prescribed part is calculated by reference to the net floating charge proceeds (floating charge realisations after the deduction of costs and expenses and any payment to preferential creditors) ("Net Property") The prescribed part is limited to a maximum of £600,000 and is calculated as follows. -

- 50% of Net Property up to £10,000
- 20% of Net Property in excess of £10,000

However, it is not currently anticipated that there will be any floating charge realisations to enable a distribution to be made by virtue of the prescribed part

Extension of the Administration

The Administrators are still in discussion with an interested party regarding the purchase of the Property and until such time as a sale of the Property can be completed, the Administrators will not be able to achieve the objective of the Administration.

Consent is therefore sought for a six month extension to the period of the Administration to 23 July 2013 in order to allow the Administrators more time to achieve a sale of the Property

R J Hunt
Joint Administrator
Argentwood Limited – in Administration

Robert Jonathan Hunt, Karen Lesley Dukes and Nicholas Edward Reed were appointed as Joint Administrators of Argentwood Limited on 24 January 2012 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

The Joint Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998 PricewaterhouseCoopers LLP will act as Data Processor on their instructions Personal data will be kept secure and processed only for matters relating to the Administration

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court Case number 695 of 2012
Full name:	Argentwood Limited
Trading name:	Argentwood Limited
Registered number:	04532097
Registered address:	7 More London Riverside, London SE1 2RT
Company directors:	Neil Graham Bellis and Lucy Clare Cummings
Company secretary:	Juliet Mary Susan Bellis
Shareholdings held by the directors and secretary:	None
Date of the Administration appointment:	24 January 2012
Administrators' names and addresses:	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
Details of any extension(s) to the initial period of appointment	N/A
Changes in office holder:	N/A
Appointor's / applicant's name and address:	HSBC Private Bank (UK) Limited, 8 Canada Square, London E14 5HQ
Objective being pursued by the Administrators:	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)
Division of the Administrators' responsibilities:	Any act required or authorised under any enactment to be done by an Administrator may be done by any of the Joint Administrators acting jointly or alone
Proposed end of the Administration:	Creditors' voluntary liquidation or dissolution
Estimated dividend for unsecured creditors:	Based on current information a distribution to the unsecured creditors is only possible by virtue of the prescribed part distribution
Estimated values of the prescribed part and the company's net property:	The value of the prescribed part is currently uncertain and dependent on future floating charge realisations
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	Uncertain owing to the unknown distribution prospects
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

3. Statement of expenses incurred from 24 July 2012 to 16 December 2012

Expenses incurred by the Administrators (excl VAT)	Paid from 24 July 2012 to 16 December 2012	Incurred but not paid for the period from 24 July 2012 to 16 December 2012
	£	£
Joint Administrators' post-appointment remuneration	-	15,110
Joint Administrators' disbursements	-	6
Legal Fees	-	-
Legal Disbursements	-	-
Total	-	**15,116**

4. Analysis of the Administrators' time costs and Category 2 disbursements for the period 24 July 2012 to 16 December 2012

Time cost analysis for the period 24 July 2012 to 16 December 2012

Classification of worktype	Senior Manager		Manager		Senior Associate		Associate/Support		Total H	Total £
	H	£	H	£	H	£	H	£		
Freehold/leasehold			3.1	1,333	0.3	80			3.4	1,413
Statutory and compliance	1 6	816	7.9	3,397	3.5	903	20 8	4,680	33 8	9,796
Strategy and planning	1.6	816	3.8	1,634	0.5	133	8 7	1,174	14.6	3,757
Tax and VAT	0.2	102	0.1	43					0.3	145
Grand Total	**3.4**	**1,734**	**14.9**	**6,407**	**4.3**	**1,116**	**29.5**	**5,854**	**52.1**	**15,110**

Narrative of work carried out for the period 24 July 2012 to 16 December 2012

Freehold/leasehold - £1,413
- Discussions on progression on the valuation and sale of the Company's property,
- Liaising with SEPS regarding property management information; and
- Corresponding with lessees of the property

Statutory and compliance £9,796
- Drafting the first six month progress report to creditors,
- Reviewing time cost information and preparing time cost report and narrative for inclusion in the progress report;
  Reviewing the progress report by senior team members and sign off by appointee;
- Circulating progress report to creditors of the Company;
- Filing progress report at Companies House,
- Reviewing the current level of the bonding on the case and increase as necessary, and
- Reviewing and signing off internal compliance procedures

Strategy and planning - £3,757
  Conducted regular team meetings and conference calls to review progress and discuss key issues,
- Compiled and reviewed minutes from meetings, and
- Compiled budgets and prepared time costs reports

Tax and VAT - £145
- Discussions with internal Tax specialists in respect of exiting the Administration

4. Analysis of the Administrators' time costs and Category 2 disbursements for the period 24 July 2012 to 16 December 2012

Summary of legal and other professional firms instructed in the period 24 January 2012 to 16 December 2012

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

DLA Piper UK LLP has been instructed to provide legal advice to the Company, but has not incurred any costs to date 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 charge out rate per hour from 24 January 2012 (£)		Maximum charge out rate per hour from 1 July 2012 (£)	
	London	Regional	London	Regional
Partner	730	520	755	540
Director	641	436	660	450
Senior manager	494	383	510	395
Manager	415	299	430	310
Senior associate (qualified)	347	226	358	233
Senior associate (unqualified)	257	168	266	172
Associate	221	142	225	146
Support staff	110	76	112	80
Secretary	112	112	112	112

4. Analysis of the Administrators' time costs and Category 2 disbursements for the period 24 July 2012 to 16 December 2012

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 charge out rate per hour from 24 January 2012 (£)	Maximum charge out rate per hour from 1 July 2012 (£)
Partner	871	871
Director	799	799
Senior manager	697	697
Manager	442	442
Senior associate	323	332
Associate	170	140
Support staff	102	102

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 in Section 6

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

5. Approval of unpaid 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

	Amount (£)
Time costs incurred by the Administrators	**4,842**
Expenses incurred by the Administrators	-
Fees charged by other persons qualified to act as an insolvency practitioner	-
Expenses incurred by other persons qualified to act as an insolvency practitioner	-
Total	**4,842**

6. 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 "·

6. 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.