

The Insolvency Act 1986

Administrator's progress report

Name of Company

Argentwood Limited

Company Number

04532097

In the High Court of Justice of England and Wales,

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) 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

to

(b) 17 December 2012

(b) 27 May 2013

Signed

Joint Administrator (IP Numbers 8597 / 9369 / 8639)

Dated

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.

Christina Georgiou

PricewaterhouseCoopers LLP, 7 More London Riverside, SE1 2RT

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DX Number

DX Exchange



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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 17 December 2012 to
27 May 2013 in support of the application to Court to extend the
Administration pursuant to Paragraph 76(2)(a) of Schedule B1 to the
Insolvency Act 1986**

11 June 2013

Contents

Section	Pages
1 Joint Administrators' progress report for the period from 17 December 2012 to 27 May 2013	2 – 4
2 Statutory and other information	5
3 Expenses incurred in the period from 17 December 2012 to 27 May 2013	6
4 Analysis of the Administrators' time costs and Category 2 disbursements for the period 17 December 2012 to 27 May 2013	7 – 9
5 Approval of unpaid pre-Administration costs	10
6 Statement of creditors' rights	11 – 12

1. Joint Administrators' progress report for the period from 17 December 2012 to 27 May 2013

Introduction

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

We are writing to provide the Court with a progress report for the period from 17 December 2012 to 27 May 2013 (the "Period") in support of our application for an extension to the period of the Administration of the Company, pursuant to Rule 2.112 of the Insolvency Rules 1986 (the "Rules").

This report should be read in conjunction with the Administrators' proposals dated 14 March 2012, which were deemed approved in accordance with Rule 2.33(5) of the Rules, and the Administrators' progress reports dated 21 August 2012 and 2 January 2013.

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

Objective of the Administration

The Administrators are pursuing the objective of realising property in order to make a distribution to one or more secured or preferential creditors.

Progress of the Administration

The Company's only asset is a long term leasehold interest in a block of flats (the "Property") 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.

The Administrators have approached the lessees and the freeholder of the Property to assess their appetite in acquiring the Company's long leasehold interest. If the lessees or freeholder do not wish to acquire the lease, it is anticipated that the Administrators will place the Property into auction to seek a purchaser. The timing for this process is set out in statute, the Leasehold Reform, Housing and Urban Development Act 1993 and

requires that at least three months' notice is given to the lessees of such an auction process.

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

In accordance with resolutions passed by the secured creditor the Administrators' remuneration will be fixed by reference to the time properly given by them and the various grades of their staff in attending to matters arising according to the Administrators' usual charge out rates for work of this nature.

As approved by the secured creditor, the Administrators have been paid remuneration of £32,869 on account by the secured creditor.

The time costs incurred in the Period total £8,119. This amount does not necessarily reflect the amounts that will be drawn as remuneration by the Administrators for the Period.

In accordance with Statement of Insolvency Practice No.9 (payments to insolvency office holders and their associates) an analysis of the Administrators' time costs and disbursements for services provided by the Administrators and their staff for the Period is shown at Section 5.

1. Joint Administrators' progress report for the period from 17 December 2012 to 27 May 2013

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

Secured creditors

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

Preferential creditors

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

Unsecured creditors

Based on the information currently available, it is anticipated that the Company has insufficient property to enable a distribution to be made to unsecured creditors by virtue of Section 176A (2)(a) of IA86, the prescribed part, or otherwise

Prescribed Part

The Prescribed Part (Section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003) applies where there are floating charge realisations, net of costs, to be set aside for unsecured creditors. For each company, this equates to:

- 50% of net property up to £10,000
- 20% of net property in excess of £10,000
- Subject to a maximum amount of £600,000

As mentioned above, the Administrators do not anticipate that there will be sufficient sums available for a distribution to the unsecured creditors under the Prescribed Part

Extension of the Administration

With the approval of the secured creditor, the period of the Administration has previously been extended to 23 July 2013, this was to enable the Administrators to seek a buyer of the Property

The Administrators are seeking an additional extension to the period of the Administration to 23 July 2014 for the reasons set out below

- Seek a buyer of the Property and serve statutory notices, and
- Finalise the Administration

Seek a buyer of the Property and serve statutory notices

The Administrators will continue to seek a buyer of the Property and will require time to serve statutory notices to lessees as set out earlier in this report.

Finalise the Administration

Following the sale of the Property, the Administrators will have various tasks to undertake, including:

- Subject to the level of funds make a distribution to the secured creditors, and
- Obtaining clearance from HM Revenue & Customs in relation to Corporation Tax.

In view of the above, the Administrators are seeking approval from the Court to extend the Administration by twelve months to 23 July 2013 by which time it is anticipated that the sale of the Property will have been completed, and the necessary matters to finalise the Administration will have been completed

1. Joint Administrators' progress report for the period from 17 December 2012 to 27 May 2013

Ending the Administration

Whilst a twelve month extension is being sought, it is and remains the Administrators' intention to bring the Administration to an end as soon as all outstanding matters have been attended to.

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.



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. PrecedenthouseCoopers 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:

Full name:
Trading name:
Registered number:
Registered address:
Company directors:
Company secretary:
Shareholdings held by the directors and secretary:
Date of the Administration appointment:
Administrators' names and addresses:

High Court of Justice, Chancery Division, Companies Court
 Case number 695 of 2012
 Argentwood Limited
 Argentwood Limited
 04532097
 7 More London Riverside, London SE1 2RT
 Neil Graham Bellis and Lucy Clare Cummings
 Juliet Mary Susan Bellis
 None

24 January 2012
 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 Changes in office holder:

Appointor's / applicant's name and address:

Objective being pursued by the Administrators:

Division of the Administrators' responsibilities:

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):

Extended to 23 July 2013 – Approved by the Secured Creditor
 N/A

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

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

Dissolution

N/A

N/A

N/A

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

3. Statement of expenses incurred from 17 December 2012 to 27 May 2013

Expenses incurred by the Administrators (excl VAT)	Paid from 17 December 2012 to 27 May 2013	Incurred but not paid for the period from 17 December 2012 to 27 May 2013
Joint Administrators' post-appointment remuneration	£ -	£ 8,119
Joint Administrators' disbursements	-	
Legal Fees (DLA Piper UK LLP)	-	6,774

4. Analysis of the Administrators' time costs and Category 2 disbursements for the period 17 December 2012 to 27 May 2013

Time cost analysis for the period 17 December 2012 to 27 May 2013

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Secretarial	Total hours	Time cost £	Average hourly rate £
Strategy, Planning & Administration	-	-	2.10	2.30	-	2.50	1.00	7.90	2,733.00	345.95
Reporting to appointor/com mittee	-	-	2.00	5.90	2.90	4.70	-	15.50	5,387.90	347.48
Total	-	-	4.1	8.2	2.9	7.2	1.0	23.40	8,118.90	346.96

Narrative of work carried out for the period 17 December 2012 to 27 May 2013

Statutory and compliance

- Drafting the second 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

- 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.

4. Analysis of the Administrators' time costs and Category 2 disbursements for the period 17 December 2012 to 27 May 2013

Summary of legal and other professional firms instructed in the period 16 December 2012 to 27 May 2013

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 17 December 2012 to 27 May 2013

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	8,119
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	8,119

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.