

## The Insolvency Act 1986

**Administrator's progress report**

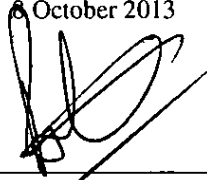
Name of Company Argentwood Limited	Company Number 04532097
In the High Court of Justice of England and Wales, High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 695 of 2012

(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

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

	from		to
(b) Insert dates	(b) 8 October 2013	(b)	7 April 2014

Signed   
Joint Administrator (IP Numbers 8597 / 9369)

Dated 2 May 2014

**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	
	Tel 020 7213 1131
DX Number	DX Lxchange

SATURDAY



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



**Argentwood Limited – in Administration**

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

**Joint Administrators' progress report for the period 8 October 2013  
to 7 April 2014**

**2 May 2014**

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# **1. Joint Administrators' progress report for the period from 8 October 2013 to 7 April 2014**

## **Introduction**

In accordance with Rule 2.47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators (the "Administrators") write to provide creditors with details of the progress of the Administration of Argentwood Limited (the "Company") since the Administrators' previous report dated 4 November 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.

## **Progress of the Administration**

The Company's only asset was a long leasehold interest in a block of flats (the "Property") which was subject to 33 long term underleases. There were significant liabilities associated with the Property such that the Administrators were unable to find a third party purchaser.

The Administrators approached the underlessees of the Property to assess their interest in acquiring the Company's long leasehold interest. As a result of those discussions, the Administrators entered into a statutory sales process, whereby the Property was offered to the respective underlessees. No formal acceptance was received from the underlessees to purchase the Property.

Due to the level of liabilities associated with the Property, the underlessees were the only party with an interest in acquiring the head lease. Subsequently, a small group of underlessees offered to purchase the Property for nominal consideration. The Administrators commenced negotiations and a sale of the Property completed on 11 April 2014 for £1

## **Finalise the Administration**

The Administrators are currently finalising all remaining matters, which includes obtaining clearance from HM Revenue & Customs in relation to Corporation Tax.

## **Changes in officeholder**

An application was made to the Court to facilitate the removal of Nicholas Edward Reed. The application was granted and, consequently, Nicholas Edward Reed was removed as Joint Administrator with effect from 7 October 2013. As there were still two Administrators in office, it was not necessary for a third administrator to be appointed to replace Nicholas Edward Reed.

## **Receipts and payments account**

An account of the receipts and payments in the Administration of Argentwood for the period is set out in Section 3.

## **Expenses statement**

A statement of the expenses incurred by the Administrators in the Period is included at Section 4.

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 plus VAT on account by the secured creditor.

The time costs incurred in the period total £14,579. This amount does not necessarily reflect the amounts that will be drawn as remuneration by the Administrators for the period.

# 1. Joint Administrators' progress report for the period from 8 October 2013 to 7 April 2014

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 8 October 2013 to 7 April 2014 is shown at Section 5.

## Pre-Administration costs

Information regarding the approval of the unpaid pre-Administration costs previously detailed in the Administrators' proposals can be found at Section 6 of this report

## Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 7

## Outcome for creditors

There will be insufficient realisations in the Administration to allow a distribution to be made to any class of creditor other than the secured creditor

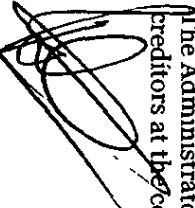
## Extension of the Administration

With the approval of the secured creditor the period of the Administration was initially extended to 23 July 2013

Following an application to Court, an Order was granted extending the period of the Administration by a further twelve months to 23 July 2014

## Next report

The Administrators anticipate that they will circulate their next report to creditors at the conclusion of the Administration.



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. Nicholas Edward Reed vacated office on 7 October 2013 further to an application to the Court on 9 September 2013. Robert Jonathan Hunt and Karen Lesley Dukes 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. PrecurethousCoopers 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:**

### 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):**

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 Bells and Lucy Clare Cummings  
Juliet Mary Susan Bells  
None

24 January 2012  
Robert Jonathan Hunt and Karen Lesley Dukes of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT  
Extended to 23 July 2013 – Approved by the Secured Creditor  
Extended to 23 July 2014 – Approved by the Court  
Nicholas Edward Reed removed from office on 7 October 2013  
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  
None  
Nil

Not applicable  
The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

### 3. Receipts and payments account for the period 8 October 2013 to 7 April 2014

	24 January 2012 to 7 October 2013		8 October 2013 to 7 April 2014		24 January 2012 to 7 April 2014	
	Fixed charge £	Floating charge £	Fixed charge £	Floating charge £	Fixed charge £	Floating charge £
<b>Receipts</b>						
Sale of long leasehold property	-	-	1	-	1	-
Ground rent	-	-	-	218	-	218
<b>Total receipts</b>	-	-	1	218	1	218
<b>Payments</b>						
Total payments	-	-	-	-	-	-
<b>Cash at bank (non-interest bearing)</b>	-	-	1	218	1	218

#### 4. Statement of expenses incurred in the period from 8 October 2013 to 7 April 2014

Expenses incurred by the Administrators (excl VAT)	Paid from 8 October 2013 to 7 April 2014	Incurred but not paid for the period from 8 October 2013 to 7 April 2014
Joint Administrators' post-appointment remuneration Legal Fees (DLA Piper UK LLP) cost	£ -	£ 14,579 11,349



## 5. Analysis of the Administrators' time costs and Category 2 disbursements for the period 8 October 2013 to 7 April 2014

### Time cost analysis for the period 8 October 2013 to 7 April 2014

Aspect of assignment	Partner / Director	Senior Manager	Manager	Senior Associate	Associate	Total hours	Time cost £	Average hourly rate	
								£	£
Strategy, planning & administration	0.50	1.30	0.90	0.05	2.60	5.35	1,966.45	367.56	
Assets	-	-	8.10	-	1.30	9.40	3,895.40	414.40	
Accounting and treasury	-	-	-	-	1.45	1.45	313.25	216.03	
Reporting to appointor	-	-	1.20	-	3.20	4.40	1,268.80	288.36	
Statutory and compliance	-	0.40	4.40	-	9.80	14.60	4,327.60	296.41	
Tax/VAT/Pensions	-	0.70	1.00	4.70	0.30	6.70	2,807.50	419.03	
<b>Total</b>	<b>0.5</b>	<b>2.4</b>	<b>15.6</b>	<b>4.8</b>	<b>18.7</b>	<b>41.90</b>	<b>14,579.00</b>	<b>347.95</b>	

### Narrative of work carried out for the period 8 October 2013 to 7 April 2014

#### Strategy, planning and administration

- Compiled budgets and prepared time costs reports;
- Considered the available exit routes from the Administration

#### Assets

- Discussions on progression on the valuation and sale of the Company's property,
- Liaising with South East Property Services ("SEPS") regarding property management information,
- Corresponding with lessees of the property,
- Liaised with solicitors and agents in respect of the sale of the property, and
- Corresponded with rating authorities, utilities and others regarding ongoing supplies

#### Reporting to appointor

- Preparing update reports for the bank

## 5. Analysis of the Administrators' time costs and Category 2 disbursements for the period 8 October 2013 to 7 April 2014

### Statutory and compliance

- Preparing and circulating the fourth 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 determining whether an increase is necessary;
- Reviewing and signing off internal compliance procedures

### Tax/VAT/Pensions

- Liaising with VAT specialists regarding the level of VAT that can be recovered;
- Discussions with internal Tax specialist in respect of exiting the Administration

### Summary of legal and other professional firms instructed in the period 8 October 2013 to 7 April 2014

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 ("DLA") has been instructed to provide legal advice to the Company. The Administrators require all third party professionals to submit time costs analyses and narrative in support of invoices rendered. Owing to the lack of funds in the Company, HSBC has agreed to settle DLA's fees from its fixed charge realisations in Longmint Limited (in Administration) estate.

### 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

## 5. Analysis of the Administrators' time costs and Category 2 disbursements for the period 8 October 2013 to 7 April 2014

Grade	Maximum charge out rate per hour from 1 July 2013 (£)	
	London	Regional
Partner	775	555
Director	680	465
Senior manager	525	405
Manager	444	320
Senior associate (qualified)	370	240
Senior associate (unqualified)	275	177
Associate	230	152
Support staff	115	82
Secretary	112	112

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 1 July 2013 (£)
Partner	1075
Director	990
Senior manager	755 - 915
Manager	545
Senior associate	250 - 410
Associate	175 - 210
Support staff	120

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 7.

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.

## 6. 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	-
<b>Total</b>	<b>8,119</b>

Due to insufficient realisations being achieved, the Administrators have now written off these costs as irrecoverable

## 7. 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."

## 7. 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.