Rule 2 118

Form 2 35B

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company	Company Number
Argentwood Limited	04532097

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

(a) Insert 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

(b) Insert name and address of registered office of company

having been appointed administrators of (b) Argentwood Limited of 7 More London Riverside, London, SE1 2RT

(c) Insert date of appointment
(d) Insert name of applicant / appointor

on (c) 24 January 2012 by (d) HSBC Private Bank (UK) Limited, 8 Canada Square, London, E14 5HQ

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed ______________________
Joint Administrators (IP Numbers 8597 / 9369)

Dated 17/7/2014

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 London SE1 2RT	
	Tel 020 7213 1131
DX Number	DX Exchange

SATURDAY

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A12 19/07/2014 #205
COMPANIES HOUSE

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**

pwc

Argentwood Limited –in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 695 of 2012

Joint Administrators' final progress report

17 July 2014

Contents

1. The Joint Administrators' final progress report

Introduction

The Joint Administrators (the "Administrators") previously reported on 2 May 2014 and are pleased to provide their final progress report on the Administration of Argentwood Limited (the "Company" or "Argentwood") pursuant to Rules 2 47 and 2 110 of the Insolvency Rules 1986 ("IR86")

The Administrators are required to provide certain statutory information pursuant to Rule 2.47(1) IR86, which is shown in Section 2 to this report. The Administrators are also required to provide a summary of their proposals, which is shown at Section 3

Details of the steps taken during the Administration and the outcome of the Administration are set out below

Objective of the Administration

The Administrators have achieved the objective of realising property in order to make a distribution to one or more secured or preferential creditors

Background information and initial actions taken by the Administrators

The Administrators were appointed on 24 January 2012 by HSBC Private Bank (UK) Limited ("HSBC") by virtue of the qualifying floating charge that it holds over the assets of the Company The Company was established for the purpose of selling, leasing and managing real estate. The Company's only asset was a long term leasehold interest in a block of flats (the "Property") which is which is subject to 33 long term underleases

The Administrators were also been appointed as Administrators of Longmint Limited ("Longmint"), an associated company Longmint is the parent company to South East Property Services Limited ("SEPS") SEPS managed the property portfolios of both the Company and Longmint

Shortly after their appointment, the Administrators of Longmint, using its shareholding in SEPS, appointed two turnaround directors to the board of SEPS

SEPS initially managed the property on behalf of the Company and during the Administration SEPS brought the property management and accounting information up to date

Realisations of assets

Following their appointment, the Administrators' main focus was to actively seek a sale of the Property

However, due to significant liabilities associated with the Property, the Administrators were unable to find a third party purchaser

The Administrators also approached the lessees of the Property to assess their appetite 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

During the course of the above, it became apparent that 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 sale of the Property completed on 11 April 2014 for £1

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

1. The Joint Administrators' final progress report

Final receipts and payments account

An account of the final receipts and payments in the Administration for the period from 24 January 2012 to 13 July 2014 is set out in section 4 to this report.

Expenses statement

A statement of the expenses incurred by the Administrators in the period 24 January 2012 to 13 July 2014 is included at Section 5

Extensions to 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

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 £62,049 plus VAT on account by the secured creditor. Due to insufficient realisations in the Administration, these fees have been funded by HSBC through fixed charge realisations in the Administrations of Longmint Limited and Proudale Limited

The time costs incurred in the period total £13,950. 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 8 April 2014 to 13 July 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 7 of this report. Due to insufficient realisations being achieved, the Administrators have now written off these costs as irrecoverable.

Creditors' rights

A statement of creditors' rights in relation to the Administrators' remuneration and expenses is set out at Section 8.

Outcome for creditors

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

A total distribution of £1 was paid to the secured creditor and the bank has therefore suffered a shortfall on its lending.

Exit route from Administration

In accordance with the proposals approved by creditors, notice of move to dissolution will be sent by the Administrators to the Registrar of Companies When this notice is registered, the administration will come to an end Three months after registration, the Company will be deemed dissolved

With no remaining assets, moving the Company to dissolution, is the most *appropriate and cost effective* exit route

It was not appropriate to place the Company into liquidation, because

- Creditors' voluntary liquidation is not an option as there are no prospects of a distribution being made to unsecured creditors; and
- There are no matters requiring investigation and accordingly, applying for the Company to be wound up would result in unnecessary expense

Discharge

In accordance with a resolution of the secured creditor the Administrators shall be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as Administrators, 14 days after they cease to be Administrators of the Company

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 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
Details of any extension(s) to the initial period of appointment	Extended to 23 July 2013 – Approved by the Secured Creditor Extended to 23 July 2014 – Approved by the Court
Changes in office holder:	Nicholas Edward Reed removed from office on 7 October 2013
Appointor's / applicant's name and address:	HSBC Private Bank (UK) Limited, 8 Canada Square, London E14 5HQ
Objective being pursued by the Administrators:	Realising property in order to make a distribution to one or more secured or preferential creditors.
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:	Dissolution
Estimated dividend for unsecured creditors:	None
Estimated values of the prescribed part and the company's net property:	Nil
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	Not applicable
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. Summary of the Joint Administrators' 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

3. Summary of the Joint Administrators' proposals

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 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.

4. Final receipts and payments account for the period 24 January 2012 to 13 July 2014

	24 January 2012 to 7 April 2014		8 April 2014 to 11 July 2014		24 January 2012 to 13 July 2014	
	Fixed charge £	Floating charge £	Fixed charge £	Floating charge £	Fixed charge £	Floating charge £
Receipts						
Sale of Long leasehold property	1	-	-	-	1	-
Ground rent	-	218	-	-	-	218
Total receipts	1	218	-	-	1	218
Payments	-	-	-	-	-	-
Distribution to Secured Creditor	-	-	(1)	-	(1)	-
Legal fees	-	-	-	(218)	-	(218)
Total payments	-	-	(1)	(218)	(1)	(218)
Cash at bank (non-interest bearing)	1	218	(1)	(218)	-	-

5. Statement of expenses incurred from 8 April 2014 to 13 July 2014

Expenses incurred by the Administrators	Costs paid in the period 8 April 2014 to 13 July 2014	Costs incurred but not paid in the 8 April 2014 to 13 July 2014
	£	£
Administrators' time costs	-	13,950
Administrators' disbursements	-	23
Legal fees (DLA Piper UK LLP)	218	-
Total	**218**	**13,973**

6. Analysis of the Administrators' time costs and Category 2 disbursements for the period 8 April 2014 to 13 July 2014

Time cost analysis for the period 8 April 2014 to 13 July 2014

Aspect of assignment	Senior Manager	Manager	Senior Associate	Associate	Total hours	Time cost £	Average hourly rate £
Strategy, planning and administration	0 40	0 20	-	3 10	3.70	1,015.80	274 54
Assets	-	0 50	-	-	0.50	222.00	444 00
Reporting to appointor	0 90	-	-	8 80	9.70	2,496.50	257 37
Statutory and compliance	0 10	5 10	2 15	15 10	22.65	6,639.40	293 13
Tax/VAT/Pensions	-	-	5 90	5 15	11.05	3,216.00	291 04
Closure procedures	0 10	0 20	-	0 90	1.20	360.50	300 42
Total	**1.5**	**6.0**	**8.1**	**33.1**	**48.80**	**13,950.20**	**285.86**

Narrative of work carried out for the period 8 April 2014 to 13 July 2014

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

Assets
- 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 and utilities

Reporting to appointor
- Preparing an update report for the bank.

6. Analysis of the Administrators' time costs and Category 2 disbursements for the period 8 April 2014 to 13 July 2014

Statutory and compliance

- Preparing and circulating the fifth 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,
- Discussions with internal Tax specialist in respect of exiting the Administration

Closure

- Planning for the administration exit,
- Drafting and preparing final reports to creditors, and
- Finalising closure of bank accounts.

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

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment and are included within any analysis of time charged Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff Time is charged by reference to actual work carried out on the assignment in six minute units. The minimum time chargeable is three minutes (i e. 0 5 units)

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.

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. Analysis of the Administrators' time costs and Category 2 disbursements for the period 8 April 2014 to 13 July 2014

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 (£)		Maximum charge out rate per hour from 1 July 2013 (£)		Maximum charge out rate per hour from 1 July 2014 (£)	
	London	Regional	London	Regional	London	Regional	London	Regional
Partner	730	520	755	540	775	555	795	575
Director	641	436	660	450	680	465	695	480
Senior manager	494	383	510	395	525	405	540	415
Manager	415	299	430	310	444	320	460	330
Senior associate (qualified)	347	226	358	233	370	240	380	250
Senior associate (unqualified)	257	168	266	172	275	177	285	180
Associate	221	142	225	146	230	152	240	160
Support staff	110	76	112	80	115	82	120	85
Secretary	112	112	112	112	112	112	120	120

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 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 2013 (£)
Partner	871	1075
Director	799	990
Senior manager	697	755 - 915
Manager	442	545
Senior associate	323	250 - 410
Associate	170	175 - 210
Support staff	102	120

6. Analysis of the Administrators' time costs and Category 2 disbursements for the period 8 April 2014 to 13 July 2014

The Administrators' firm's expenses policy allows for all properly incurred expenses to be recharged to the case Disbursements are charged to the assignment as follows -

Category 1 disbursements for the period 8 April 2014 to 13 July 2014

Category 1 disbursements include telephone calls, postage, case advertising, travel costs and properly reimbursed expenses incurred by personnel in connection with the case. Also included are services specific to the case where these cannot practically be provided internally such as printing, room hire and document storage It is not necessary for an Administrator to obtain approval to draw Category 1 disbursements

Category 2 disbursements for the period 8 April 2014 to 13 July 2014

Photocopying	At 12 pence per sheet copied, only charged for circulars to creditors and other bulk copying
Mileage	At a maximum of 67 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)

Classification of Disbursements	Cost (£)
Mobile phone charges	4 73
Postage	18 36
Total for period	**23.09**

Summary of legal and other professional firms instructed in the period 8 April 2014 to 13 July 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 the estate of Longmint Limited (in Administration) estate

7. 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 was proposed that the unpaid costs would be paid as an expense of the Administration. Such a 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**

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

8. 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.".

8. 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.