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Case No: CR-2021-000436

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES COURT

IN THE MATTER OF GREENSILL CAPITAL (UK) LIMITED AND GREENSILL
CAPITAL MANAGEMENT COMPANY (UK) LIMITED
AND
IN THE MATTER OF THE INSOLVENCY ACT 1986

The Rolls Building
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Fetter Lane
London EC4A 1NL

Date of hearing: Monday 8th March 2021

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Before:

MR. JUSTICE MICHAEL GREEN
(Remote hearing)

Between:

GREENSILL CAPITAL MANAGEMENT
COMPANY (UK) LIMITED

Applicant

- and -

CREDIT SUISSE ASSET MANAGEMENT

Noteholders

- and-

APOLLO HOLDINGS PLC

Proposed
Purchaser

APPROVED JUDGMENT

MR. DAVID ALLISON QC and MR. RYAN PERKINS (instructed by **Allen & Overy LLP**) for the **Applicant**
MR. GLEN DAVIS QC and MR. MATTHEW ABRAHAM (instructed by **Morgan, Lewis & Bockius LLP**) for **Credit Suisse Asset Management (Noteholders)**
MR. ROBIN DICKER QC (instructed by **Kirkland & Ellis LLP**) for **The Proposed Purchaser**

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MR. JUSTICE MICHAEL GREEN:

1. I have before me an application by the directors of Greensill Capital (UK) Limited (**GCUK**) and Greensill Capital Management Company (UK) Limited (**GCMC**) for administration orders to be made in respect of them. GCUK is an arranger of trade finance which essentially involves the sale and purchase of receivables owned by companies to their suppliers. GCMC is a service company which provides employees to GCUK.
2. Mr. Allison QC has presented this application on behalf of the directors and he has taken me through some of the evidence in relation to this matter. The requirements that I have to be satisfied of are threefold in relation to the making of an administration order. First of all, that the companies concerned fall within the definition of a company under paragraph 111(1A) of Schedule B1 to the Insolvency Act 1986; second, that each of the companies are unable or likely to become unable to pay their debts; and, third, that an administration order in respect of each of the companies would be reasonably likely to achieve the purpose of the administration.
3. It is perfectly clear that these are companies within the jurisdiction of the court in terms of making an administration order by the definition of paragraph 111(1A). So that first matter is clearly satisfied.
4. In relation to the second matter, whether the company is unable or likely to become unable to pay its debts, that has also been clearly established on the evidence. GCUK has actually ceased trading as of 2nd March. There is an amount of US\$140 million immediately due and payable by GCUK as guarantor on a facility from Credit Suisse AG to GCUK's holding company. The evidence clearly shows that GCUK has insufficient cash in order to pay its debts as they fall due. On the cash flow test of insolvency, I am satisfied that it is unable pay its debts as they fall due. GCMC is wholly dependent on GCUK for, essentially, funding its payroll obligations to over 500 employees that it is contractually obliged to. So, it too is necessarily cash-flow insolvent.
5. In relation to the third requirement, whether the administration order would be reasonably likely to achieve the purpose of the administration. The purpose of this administration is not to rescue the companies as going concerns but is to achieve a better result for the companies' creditors as a whole than would be likely if the companies were wound up. Again, it is clearly established on the evidence that a liquidation would be a more cumbersome process in the circumstances than an administration. The proposed administrators, I should say, are Grant Thornton and they have been involved with advising the company since December 2020 and they will be able to move straight in to the companies and pursue a pre-packed sale that has been agreed with a third party, Apollo Holdings Plc. That company, Apollo, has offered to acquire the GCUK's intellectual property and IT systems which is the valuable part of this company's business, the IT platform, and also to take on the majority of GCMC's employees. So if that deal goes through that would obviously involve the preservation of those jobs but also the continuation of the business for the benefit of the creditors as a whole.
6. Mr. Dicker QC appeared for Apollo. He told me that whilst that deal is likely to go ahead there are still a few matters to be sorted out but it is not anticipated that there

will be any problems in relation to that.

7. An administration would enable that deal to go ahead whereas it would not be able to proceed were the companies to go into liquidation.
8. I have also been taken to the other procedural requirements: in particular notice was given to Credit Suisse who, as I have already said, is one of the lenders to the group and also another lender to the Group, PGFT. Neither of those were necessarily entitled to notice of this application but in any event both of them consent to the administration order being made.
9. Also notice has been given to the Bank of England under sections 120 and 120A of the Banking Act 2009 because the companies are members of a group which includes a bank, Greensill Bank AG. The Bank of England has responded to that notification and it has confirmed that it does not intend to exercise its powers in relation to the companies and does not intend to appear at the hearing of this application.
10. Mr. Davis QC appeared for Credit Suisse Asset Management who are the beneficial owners of receivables and who also operate funds that have been invested in those receivables to the tune of some \$6.2 billion. It is obviously heavily in their interests for there to be a smooth administration. Mr. Davis told me that there has been co-operation so far between his clients and the administrators and they do not oppose the making of the administration order either.
11. All the other procedural requirements having been met, I am satisfied that in my discretion it is appropriate to make the administration orders that are sought.

(For further proceedings: please see separate transcript)

This Judgment has been approved by Mr. Justice Michael Green.