

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company

Angel (London) Limited

Company number

03838267

In the
High Court of Justice

[full name of court]

Court case number
2403 of 2013

We

Robert Andrew Croxen
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB
United KingdomJane Bronwen Monarty
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Administrators of the above company attach a progress report for the period


from

10 April 2013

to

9 October 2013

Signed


Robert Croxen - Joint Administrator

Dated

31 October 2013

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.

Giuseppe Parla
KPMG LLP
8 Salisbury Square
London
EC4Y 8BB
United Kingdom
DX Number DX 38050 BlackfriarsTel 020 7311 8730
DX Exchange

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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COMPANIES HOUSE



**Angel (London) Limited
- in administration**

Progress Report
Report to creditors pursuant to Rule 2.47 of the
Insolvency Act 1986 (as amended)

KPMG LLP

31 October 2013

RC/AV/GP



Angel (London) Limited (in administration)

KPMG LLP

31 October 2013

Notice: About this Report

- This Report has been prepared by Robert Andrew Croxen and Jane Bronwen Moriarty, the Joint Administrators of Angel (London) Limited ("the Company"), solely to comply with their statutory duty to report to creditors on the progress of the administration under the Insolvency Rules 1986, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in the Company. Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.
- Robert Andrew Croxen is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales.
- Jane Bronwen Moriarty is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland.
- The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the administration.



Angel (London) Limited (in administration)
KPMG LLP
31 October 2013

Contents

Notice: About this Report

Glossary	3
1 Introduction	4
2 Progress of the administration	5
3 Costs of realisations	5
4 Estimated outcome for creditors	7
5 Other matters	7
6 Future strategy	8

Appendices

1 Statutory information	
2 Administrators' receipts and payments account	
3 Analysis of Administrators' time costs and schedule of charge-out rates	
4 Schedule of expenses	



Angel (London) Limited (in administration)
KPMG LLP
31 October 2013

Glossary

Administrators	Robert Andrew Croxen and Jane Bronwen Moriarty of KPMG LLP
Bank/Secured Creditor	Bank of Scotland plc/Lloyds Banking Group plc – secured lender to the Group
Company	Angel (London) Limited
Former Directors	Julia Davey and Baljit Johal
Group	<p>The following were placed into administration on 12 October 2012 -</p> <p>Angel Group Limited – (“AG”) Angel Heights Developments Limited – (“AHD”) Angel Estates Limited – (“AE”) Angel Services (UK) Limited – (“AS”) Angel Wakefield Limited – (“AW”) Angel Heights (Newcastle) Limited – (“AHN”) Bromvale Limited – (“Bromvale”)</p> <p>Also in administration from 10 April 2013 -</p> <p>Inglelodge Limited – (“Inglelodge”) Thornminster Limited – (“Thornminster”) Wardbrook Limited – (“Wardbrook”) Angel (London) Limited</p>
KPMG	KPMG LLP
Taylor Walton	Taylor Walton LLP

The references in this Report to Sections, Paragraphs or Rules are to be the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules 1986 (all as amended) respectively



Angel (London) Limited (in administration)
KPMG LLP
31 October 2013

1 Introduction

The Administrators were appointed by the Bank, a qualifying floating charge holder, on 10 April 2013 via a Court hearing

This report has been prepared in accordance with Rule 2 47 and covers the period from 10 April 2013 to 9 October 2013 Form 2 24B is enclosed for the Company giving formal notice to this effect

Statutory information as required under Rule 2 47 is attached at Appendix 1, together with abstracts of the Administrators' receipts and payments account and schedule of expenses for the period to 9 October 2013 attached at Appendices 2 and 4 respectively All figures in this report and its appendices are shown net of VAT, unless otherwise stated

1.1 Administrators' proposals

The Administrators' Statement of Proposals was circulated to all known members and creditors on 4 June 2013 and was deemed approved, without modification, on 14 June 2013

1.2 Purpose of the administration

In accordance with Paragraph 3(1) the Administrators have the following hierarchy of objectives In order these are

- a) rescuing the company as a going concern,
- b) achieving a better result for the company's creditors as a whole than would be likely if the company was wound up (without first being in administration), and
- c) realising property in order to make a distribution to one or more secured or preferential creditors

The Administrators concluded that the purpose of the administration is objective b) as potential realisation of the Company's assets are greater in an administration and will achieve a better result for the creditors of the Company as a whole than would be likely if it were wound up (without first being in administration). Based on the information to date, the Administrators consider that it will be appropriate to dissolve or liquidate the Company following completion of the administration



Angel (London) Limited (in administration)

KPMG LLP

31 October 2013

2 Progress of the administration

2.1 Asset realisations

2.1.1 Cash at bank

A sum of £59,571 was received by the Administrators from the Company's pre-appointment bank account. No further realisations are expected.

2.1.2 Motor vehicles

The Administrators have realised £1,000 from the sale of a motor vehicle. There are a further three motor vehicles to realise.

2.1.3 Other realisations

Other realisations in the period include bank interest, as shown in the receipts and payment account attached at Appendix 2. Aside from the assets referred to in this section, there are no other assets to realise.

2.2 Investigations

The Administrators have a duty to investigate whether potential causes of action exist against third parties which would increase recoveries for creditors. The Administrators are in the process of establishing whether any such claims exist and will seek to conclude their initial investigations prior to the anniversary of the administration on 9 April 2014. Therefore, if creditors wish to bring any matters they believe to be relevant to the attention of the Administrators, they are invited to do so in writing to Robert Croxson and Jane Moriarty at KPMG, 8 Salisbury Square, London, EC4Y 8BB.

The Administrators have a duty to call in all assets, books and records of the Company. Due to the complex nature of the Group structure, this has been a significant exercise and records of the Group remain outstanding, which the Administrators continue to pursue.

3 Costs of realisations

Payments made in this period are set out in the receipts and payments account, attached as Appendix 2.

The schedule of expenses attached at Appendix 4 details the costs incurred, whether paid or unpaid, relating specifically to this reporting period.

Under Rule 2.48A, creditors are advised that within 21 days of receipt of this report, a creditor may request additional information about the Administrators' remuneration and expenses as set out in this report. A request must be in writing, and may be made either by a secured creditor or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the Court.



Angel (London) Limited (in administration)

KPMG LLP

31 October 2013

In addition, under Rule 2 109, any secured creditor or any unsecured creditor with either the concurrence of at least 10% in value of creditors, or with the permission of the Court, may apply to the Court to challenge the remuneration charged, the basis of remuneration or the expenses incurred by the Administrators. Any such application must be made no later than eight weeks after receipt of the first report which reports the charging of the remuneration or the incurring of expenses in question.

The full text of Rules 2 48A and 2 109 can be provided on request by writing to the Administrators at KPMG, 8 Salisbury Square, London, EC4Y 8BB.

3.1 Administrators' remuneration

The statutory provisions relating to remuneration are set out in Rule 2 106. Further information is given in the Association of Business Recovery Professionals' publication "*A Creditors' Guide to Administrators' Fees*", a copy of which can be obtained at

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP_9_EW_Nov_2011.pdf

However, if you are unable to access this guide and would like a copy please contact Giuseppe Parla on 020 7311 8730.

Attached as Appendix 3 is a detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out to 9 October 2013, as required by the Association of Business Recovery Professionals' Statement of Insolvency Practice No 9 ("SIP9").

In the period to 9 October 2013, the Administrators have incurred time costs of £27,337 representing 108 hours at an average hourly rate of £254 in respect of the Company. This includes work undertaken in respect of forensic, tax, VAT and health and safety advice by KPMG in-house specialists.

Under Rule 2.106, where the Administrators have made a statement under Paragraph 52(1)(b) that there will be no funds available to make a distribution to the unsecured creditors, it is for the secured creditors and preferential creditors (if appropriate), to fix the basis of the Administrators' remuneration.

The Administrators propose that their remuneration be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the administrations at their normal hourly rate of charging. The agreed basis of the Administrators' remuneration will be reported in the first progress report after it has been fixed.

To date, no remuneration or expenses have been agreed or drawn.

3.2 Legal fees

Legal fees and disbursements amounting to a total of £908 have been incurred by the Administrators' solicitors. This represents advice received in respect of validity of security by Taylor Walton.



Angel (London) Limited (in administration)

KPMG LLP

31 October 2013

3.3 Other costs

No other costs have been incurred in the period and this is shown in the receipts and payments account attached at Appendix 2

4 Estimated outcome for creditors

4.1 Secured Creditor

As at 12 October 2013, being the date of the Administrators' appointments over the initial Group entities, the Bank was owed circa £40.9 million. The Bank holds fixed and floating charges over the Company's assets dated 14 October 2004 with cross guarantees to companies within the Group.

Taylor Walton, solicitors, has confirmed that the Bank's security is valid.

Based on current information, the Bank is not expected to be repaid in full.

4.2 Preferential creditors

The Administrators are not aware that any preferential creditor claims exist against the Company.

4.3 Unsecured creditors and prescribed part

The prescribed part provisions of Section 176A entitles unsecured creditors to receive a percentage share of realisations from net floating charge assets, after costs of realisation and settlement of preferential claims. The percentage is calculated on a sliding scale up to a maximum amount of £600,000 subject to costs.

Based on current estimates, there is not expected to be any net floating charge realisations to enable a distribution, prescribed part or otherwise, to the unsecured creditors of the Company.

5 Other matters

5.1 Directors conduct investigation

The Administrators have a duty to investigate the conduct of the Former Directors and to submit a report to the Department for Business, Innovation and Skills on the conduct of those directors or shadow directors who were in office in the three years prior to the administration. The Administrators have complied with their obligations described above.



5.2 Statement of Affairs

The Administrators initially requested a Statement of Affairs for the Company from the Former Directors by 30 April 2013. Due to no response, a reminder was sent requesting the Statement of Affairs by 17 May 2013, however, no Statement of Affairs has been received.

6 Future strategy

6.1 Ongoing matters

It is proposed that the Administrators will continue to manage the affairs, business and assets of the Company in order to achieve the purpose of the administration. This will include the following:

- realising the remaining motor vehicles (see section 2.1.2),
- finalise investigations into pre-appointment transactions (see section 2.2),
- finalising the tax affairs of the Company including completion of corporation tax and VAT returns and settlement of any liabilities,
- making distribution(s) to the Secured Creditor,
- payment of administration expenses, including Administrators' remuneration, and
- complying with statutory and compliance obligations.

6.2 Extension of the administration

The administration will automatically end on 9 April 2014, being the one year anniversary of the appointment. However, the administration can be extended with consent of the Secured Creditor or by an application to the Court if necessary.

The Administrators will continue to monitor the position in relation to outstanding matters, listed in section 6.1, and if it is not likely to complete these prior to 9 April 2014, the Administrators may seek approval from the Secured Creditor to extend the period of the administration for six months to 9 October 2014, in the first instance.

Thereafter any future extensions will be sought from the Court.

6.3 Exit from administration

On completion of the administration, the Administrators currently consider that it will be appropriate to file notices under Paragraph 84(1) with the Registrar of Companies to dissolve the Company.

However, should it come to the Administrators' attention that there are matters which it would be more appropriate for a liquidator to deal with, the Administrators may petition for the liquidation of the Company.



Angel (London) Limited (in administration)

KPMG LLP

31 October 2013

In addition, the Administrators will seek their discharge from liability under Paragraph 98(1) from the Secured Creditor

6.4 Future reporting

In accordance with Rule 2.47, the Administrators will provide a further progress report within one month of 10 April 2014 or earlier if required in relation to seeking an extension to the period of the administration

A handwritten signature in black ink, appearing to be 'Robert Croxen', written in a cursive style.

Robert Croxen
Administrator



Angel (London) Limited (in administration)

KPMG LLP

31 October 2013

Appendix 1

Statutory information

Company name and Trading style	Angel (London) Limited		
Administration Order	High Court of Justice, Chancery Division, Court No 2403 of 2013		
Date of appointment	10 April 2013		
Administrators' details	Robert Andrew Croxen is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales		
	Jane Bronwen Moriarty is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in Ireland		
Functions	The functions of the Administrators are being exercised by either or both of them in accordance with Paragraph 100(2)		
Application of EC regulations	EC regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC regulations		
Company Directors		<i>From</i>	<i>To</i>
	Ms Julia Anne Davey	01/05/2010	19/10/2012
	Mr Baljit Johal	19/10/2012	04/02/2013
Company Secretary	Daniel Skidmore (resigned 19 October 2012)		
Date of incorporation	8 September 1999		
Company registration number	03838267		
Previous registered office	47 Cold Harbour, London, E14 9NS		
Present registered office	8 Salisbury Square, London, EC4Y 8BB		
Trading address	225 Marsh Wall, London, E14 9FW		



Angel (London) Limited (in administration)
KPMG LLP
31 October 2013

Details of the Company's trading results are shown below

	<i>Year ended 30/04/2011 (audited) £'000</i>	<i>Year ended 30/4/2010 (audited) £'000</i>
Turnover	8,641	15,658
Gross profit	(199)	(329)
Operating loss	(3,024)	(2,601)
Loss after tax, before dividends	(3,700)	(2,030)

Details of the Company's share capital and holdings

Authorised share capital	4
Issued share capital	4
Shareholders	AG - 4 shares



Angel (London) Limited (in administration)

KPMG LLP

31 October 2013

Appendix 2

Administrators' receipts and payments account

Notes

1. There are no Statement of Affairs figures on the receipts and payments accounts as this document has not been provided by the Former Directors

Angel (London) Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 10/04/2013 To 09/10/2013	From 10/04/2013 To 09/10/2013
ASSET REALISATIONS		
Motor vehicles	1,000 00	1,000 00
Cash at bank	59,571 49	59,571 49
	<u>60,571 49</u>	<u>60,571 49</u>
OTHER REALISATIONS		
Bank interest, gross	14 00	14 00
	<u>14 00</u>	<u>14 00</u>
	<u>60,585.49</u>	<u>60,585.49</u>
REPRESENTED BY		
IB current account		60,585 49
		<u>60,585.49</u>

Note



Angel (London) Limited (in administration)

KPMG LLP

31 October 2013

Appendix 3

Analysis of Administrators' time costs and schedule of charge-out rates

Angel (London) Limited - in administration

Time Cost Analysis for the period 10 April 2013 to 9 October 2013

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (Cashiering)		5 40	0 40	0 10	5 90	£2,082 50	£352 97
Reconciliations (& IPS accounting reviews)			0 20		0 20	£53 00	£265 00
General							
Books and records			0 40		0 40	£87 00	£217 50
Fees and WIP		0 40	2 75	0 90	4 05	£972 50	£240 12
Statutory and compliance							
Appointment and related formalities	1 10	4 10	15 65		20 85	£5,073 25	£243 32
Bonding and bordereau			0 30	0 30	0 60	£98 00	£163 33
Checklist & reviews		2 00	2 80	0 30	5 10	£1,445 00	£283 33
Pre-appointment checks			1 20		1 20	£80 00	£66 67
Strategy documents	0 60	1 40	1 20		3 20	£1,072 00	£335 00
Tax							
Initial reviews - CT and VAT		0 10	4 05		4 15	£854 00	£205 78
Post appointment corporation tax		0 10	4 00		4 10	£802 50	£195 73
Post appointment VAT		0 60	1 00		1 60	£446 50	£279 06
Creditors							
Creditors and claims							
General correspondence		0 20	4 30		4 50	£1,115 50	£247 89
Legal claims		0 30			0 30	£135 00	£450 00
Notification of appointment		0 20			0 20	£73 00	£365 00
Secured creditors			0 10	1 30	1 40	£174 50	£124 64
Statutory reports		4 00	10 70		14 70	£4,005 00	£272 45
Employees							
Correspondence			1 00		1 00	£250 00	£250 00
Pensions reviews			0 90		0 90	£179 50	£199 44
Investigation							
Directors							
D form drafting and submission		1 70	9 80		11 50	£2,846 00	£247 48
Disqual affidavits and proceedings			0 30		0 30	£75 00	£250 00
Statement of affairs			0 20		0 20	£50 00	£250 00
Investigations							
Mail redirection			0 60		0 60	£150 00	£250 00
Realisation of assets							
Asset Realisation							
Cash and investments			1 30		1 30	£325 00	£250 00
Freehold property			0 10		0 10	£25 00	£250 00
Health & safety			0 50		0 50	£99 00	£198 00
Open cover insurance		0 10	1 40		1 50	£347 50	£231 67
Other assets		2 00	1 00		3 00	£1,150 00	£383 33
Vehicles		0 10	12 25	1 50	13 85	£3,170 50	£228 92
Trading							
Purchases and trading costs			0 40		0 40	£100 00	£250 00
Total in period					107 60	£27 336 75	£254 06

Summary of disbursements

	Total £
Land registry	11 00
Bonding	20 00
Grand total	31 00

All staff who have worked on this assignment including cashiers and secretarial staff, have charged time directly to the assignment and are included in the The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of chargeout rates



Angel (London) Limited (in administration)
KPMG LLP
31 October 2013

Appendix 3 – continued

Analysis of Administrators' time costs and schedule of charge-out rates

Restructuring	From 10 April 2013 to 30 September 2013 (£)	From 1 October 2013 to 9 October 2013 (£)
Partner	565	565
Director	485	485
Senior manager	450	475
Manager	365	385
Senior Administrator/Assistant Manager	250	265
Administrator	185	195
Support staff	115	120

KPMG Restructuring policy for the recovery of disbursements

Where funds permit, the officeholder will look to recover both category 1 and category 2 disbursements from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows

Category 1 disbursements These are costs where there is specific expenditure directly referable both to the appointment in question and a payment to an independent third party. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 disbursements These are costs that are directly referable to the appointment in question but not a payment to an independent third party. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Any disbursements paid from the estate are disclosed within the attached summary of disbursements.

Category 2 disbursements that KPMG currently charges includes mileage which is calculated as follows:

- Use of privately-owned vehicle or car cash alternative – 40p per mile,
- Use of company car – 60p per mile,
- Use of partner's car – 60p per mile

For all of the above car types, when carrying passengers an additional 5p per mile per passenger will also be charged where appropriate.



Angel (London) Limited (in administration)
KPMG LLP
31 October 2013

Appendix 4

Schedule of expenses

Schedule of expenses for the period 10 April 2013 to 9 October 2013

	Paid £	Accrued £	Total for period £
Costs of realisations			
Legal fees	-	908	908

Notes

The figures in the “paid” column above relate to costs incurred and paid in the period

Administrators’ remuneration

The basis upon which the Administrators’ remuneration is to be charged has yet to be agreed. The Administrators intend to agree the basis of their remuneration with the Secured Creditor. Accordingly, the Administrators’ time costs have not been included in the above schedule, but are shown in the analysis of time costs at Appendix 3.

Creditors’ request for further information

Any additional information regarding remuneration or expenses charged for the period is available from the Administrators upon request by any secured creditor or any unsecured creditor(s) with at least 5% in value of the unsecured debt in accordance with Rule 2.48A. This request must be made within 21 days of receipt of the report. In addition creditors are reminded that the quantum can be challenged by any secured creditor or any unsecured creditor(s) with at least 10% in value (including that creditor’s claim) of the unsecured debt by making an application to Court in accordance with Rule 2.109 within eight weeks of receipt of this report. The full text of these rules can be provided upon request.