

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company Angel Cards Limited
--

Company number 02828751

In the High Court (full name of court)
--

Court case number 9596 of 2015

(a) Insert full name(s) and address(es) of administrator(s)

We (a)
Paul Ellison
KRE Corporate Recovery LLP
1st Floor, Hedrich House
14-16 Cross Street
Reading
Berks
RG1 1SN

Gareth Roberts
KRE Corporate Recovery LLP
1st Floor, Hedrich House
14-16 Cross Street
Reading
Berks
RG1 1SN

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

(b) Insert date

From (b) 30 December 2015

To (b) 29 June 2016

Signed

P. Ellison
Joint Administrators

Dated

21/7/16

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

Paul Ellison
KRE Corporate Recovery LLP
Dukesbridge House
23 Dukes Street
Reading
Berkshire
RG1 4SA

DX Number

01189 479090
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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27/07/2016

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COMPANIES HOUSE

WEDNESDAY



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To all known creditors

Our Ref

21 July 2016

Dear Sirs

Angel Cards Limited ("the Company") - In Administration

This is my report on the progress of the Administration of the Company for the period from 30 December 2015 to 29 June 2016. My report to creditors follows, attached to Form 2.24B, and should be read in conjunction with my previous report.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

If creditors have any queries regarding this report or the conduct of the Administration in general, they should contact Lee Lloyd on the above telephone number.

Yours faithfully

Paul Ellison
Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the ICAEW

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The Joint Administrators are agents of the Company and act without personal liability

Angel Cards Limited – In Administration

ADMINISTRATORS' PROGRESS REPORT TO CREDITORS

For the period ending 29 May 2016.

STATUTORY INFORMATION

Company name	Angel Cards Limited
Company number	02828751
Date of incorporation	21 June 1993
Trading address	6 Anne Boleyn Mansions, Pitsea, Basildon, Essex SS13 3AN
Registered office	c/o KRE Corporate Recovery LLP, 1st Floor, Hedrich House, 14-16 Cross Street, Reading, RG1 1SN
Former registered office	c/o D Stoker & Company Abacus House 367 Blandford Road Beckenham Kent BR3 4NW
Principal trading activity	Retailer of cards, gifts and partyware
Joint Administrators' names	Paul Ellison and Gareth Roberts
Joint Administrators' address	1st Floor, Hedrich House, 14-16 Cross Street, Reading RG1 1SN
Date of appointment	30 December, 2015
Court name and reference	High Court 9596 of 2015
Appointment made by	The Director
Actions of Administrators	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone

ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

Following my appointment as Joint Administrator, notification of the proceedings was filed at the Registrar of Companies, advertised in the London Gazette and sent to all the creditors of the Company

As I advised in my proposals report, following our appointment, the business and certain assets of the Company were sold to Southern Cards and Gifts Limited ("Southern"), of which Tony Negal is the sole director, for the sum of £21,500

As per the terms of the sale agreement, £6,000 was to be paid on completion, £7,500 within 14 days of completion and the remaining consideration of £8,000 shall be used to satisfy the rent due under the Business Premises Leases and the salaries which will become due to the employees. I am pleased to confirm these amounts have been received.

In addition to the above, the claims of 11 employees of the Company who were made redundant were collated and submitted to the Redundancy Payments Service for processing.

My investigation into the affairs of the Company and its directors was completed and my confidential investigation report has been submitted to the Insolvency Service.

I have also spent time disclaiming and/or surrendering the leases for four premises the Company occupied prior to my appointment. I can confirm that three of these leases have been dealt with and once the final lease has been assigned to Southern I will close the Administration.

There is certain work that I am required by the insolvency legislation to undertake work in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Administrator is as follows:

1 Administration

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case
- Setting up the case on the practice's electronic case management system and entering data
- Dealing with all routine correspondence and emails relating to the case
- Opening, maintaining and managing the office holder's estate bank account
- Creating, maintaining and managing the office holder's cashbook
- Undertaking regular bank reconciliations of the bank account containing estate funds
- Reviewing the adequacy of the specific penalty bond on a quarterly basis
- Undertaking periodic reviews of the progress of the case
- Overseeing and controlling the work done on the case by case administrators
- Preparing, reviewing and issuing progress reports to creditors and members
- Filing returns at Companies House
- Preparing and filing VAT returns

2 Creditors

- Obtaining information from the case records about employee claims
- Completing documentation for submission to the Redundancy Payments Office
- Corresponding with employees regarding their claims
- Liaising with the Redundancy Payments Office regarding employee claims
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims
- Maintaining up to date creditor information on the case management system
- Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend

3 Investigations

- Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 30 December 2015 to 29 June 2016 is attached at Appendix 1

The balance of funds are held in an interest bearing estate bank account

ASSETS

Stock & Furniture

The furniture assets primarily consisted of 2 x tills, 2 x CCTV systems, computer, fax machine and scanner T&S advised that these assets would obtain a nominal value at auction after taking into account removal and auctioneers costs, in view of the above these assets were included in the sale agreement at a nominal value

The Company's furniture was therefore included within the sale of stock to Southern for the total sum of £10,497 which is substantially higher than T&S valuation of £1,712 for all the stock and furniture if they had been sold in situ

Motor vehicle

The Company owned one vehicle, a 2007 Mercedes Vito panel van, and this was valued at £5,000 and was included as part of the sale to Southern at the same price

Goodwill

The Company's goodwill (customer contracts, lists, equipment, IPR, literature & records) was also included in the sale to Southern for the sum of £6,000 which is slightly below the figures shown in the Company's management accounts for the period ending September 2015

LIABILITIES

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies, showed that the Company granted a fixed and floating charge to Svenska Handelsbanken on 21 February 2013

The money due to Svenska Handelsbanken has been fully repaid from the fixed charge they hold over the Company's goodwill As a result, I will not have to pay them any money under their floating charge, and the prescribed part provisions will not apply

Preferential Creditors

The statement of affairs anticipated £1,000 in preferential creditors Claims totaling £621 have been received to date

Unsecured Creditors

The statement of affairs included 44 unsecured creditors with an estimated total liability of £475,720 I have received claims from 27 creditors at a total of £131,410

I have not received claims from 23 creditors with original estimated claims in the statement of affairs of £403,771

The statement of affairs included £12,999 owed to HMRC HMRC's final claim of £28,099 has been received which included direct taxes due to HMRC of £15,100

DIVIDEND PROSPECTS

Secured Creditors

Svenska Handelsbanken were owed £5,802 as at the date of my appointment and this sum was repaid on 15 January 2016

Preferential creditors

No dividend is available to the preferential creditors in this matter as the funds realised have been used to meet the expenses of the liquidation

Unsecured creditors

No dividend is available to the unsecured creditors in this matter as the funds realised have been used to meet the expenses of the liquidation

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. In particular, I recovered, listed and reviewed the Company's accounting records, obtained and reviewed copy bank statements for the 6 months prior to the Company ceasing to trade from the Company's bankers, and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes

There were no matters that justified further investigation in the circumstances of this appointment

Within six months of my appointment as Administrator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my work which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that my report has been submitted

PRE-ADMINISTRATION COSTS

On 10 February 2016 the following pre-appointment costs were approved by the preferential creditors

Pre-appointment fees charged £2,000

Pre-appointment expenses incurred £1,805

My pre-appointment expenses have been paid in full, however there have been insufficient funds to draw a pre-appointment fee in this matter

ADMINISTRATORS' REMUNERATION

My remuneration was previously authorised by the preferential creditors on 10 February 2016. My remuneration was authorised on a time cost basis based on a fees estimate of £24,768. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the preferential creditors. My time costs to 29 June 2016 amount to £14,442 representing 48 hours of work at an average charge out rate of £298 per hour. The actual average charge out rate incurred compares with the estimated average charge out rate of £295 in my fees estimate.

I have drawn £10,000 to 29 June 2016

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, together with an explanatory note which shows KRE Corporate Recovery's fee policy

are available at the link <http://krecr.co.uk/creditors/> Please note that there are different versions of the Guidance Notes and in this case you should refer to the October 2015 version

ADMINISTRATORS' EXPENSES

I have incurred total expenses of £169 since my appointment as Administrator and have drawn £169 to 29 June 2016

I have incurred the following expenses in the period since my appointment as Administrator

Type of expense	Amount incurred/ accrued in the reporting period £
Statutory Advertising	85
Website	14
Specific Bond	70

No category 2 disbursements have been incurred in the period since my appointment as Administrator

I have used the following agents or professional advisors in the reporting period

Professional Advisor	Nature of Work	Basis of Fees
Field Seymour Parkes	Solicitors	Time cost

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

Field Seymour Parkes were instructed to assist with the drafting and completion of the sale agreement to Southern and assist with the disclaim/surrender of the Company's leases at four retail sites.

Nature of expense	Estimated expenses £	Expenses incurred to date £
Legal costs	1,540	1,540
Total	1,540	1,540

As at 29 June 2016 I anticipate that the total expenses I will incur in this matter will exceed the total expenses I estimated I would have incurred when my remuneration was authorised by the preferential creditors. The reason I anticipate exceeding the expenses estimate are due to the difficulties in obtaining an assignment of a property lease to Southern. My solicitor has provided assistance with the final deed at a cost of £500 plus VAT and I am hopeful the lease will be assigned shortly at which point I can cease to act and I will close the Administration.

FURTHER INFORMATION

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To comply with the Provision of Services Regulations, some general information about KRE Corporate Recovery LLP can be found in the attached summary sheet

SUMMARY

The Administration will remain open until the final property lease has been assigned to Southern. Once this matter has been finalised the Administration will cease and my files will be closed.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Lee Lloyd on the above telephone number, or by email at lee.lloyd@krecrecovery.co.uk



Paul Ellison

Joint Administrator

Licensed in the United Kingdom to act as an insolvency practitioner by the ICAEW

The Joint Administrators are agents of the Company and act without personal liability

**Angel Cards Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs	From 30/12/2015 To 29/06/2016	From 30/12/2015 To 29/06/2016
POST APPOINTMENT SALES		
Sales	7,011 13	7,011 13
	<u>7,011 13</u>	<u>7,011 13</u>
TRADING SURPLUS/(DEFICIT)	<u>7,011 13</u>	<u>7,011.13</u>

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

Statement of Affairs		From 30/12/2015 To 29/06/2016	From 30/12/2015 To 29/06/2016
6,000 00	SECURED ASSETS		
	Goodwill	6,000 00	6,000 00
		<u>6,000 00</u>	<u>6,000 00</u>
(5,801 54)	SECURED CREDITORS		
	Svenska Handelsbanken	5,801 54	5,801 54
		<u>(5,801 54)</u>	<u>(5,801 54)</u>
16,176 80	HIRE PURCHASE		
(16,176 80)	Motor vehicles	NIL	NIL
	Finance Company	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
1 00	ASSET REALISATIONS		
5,000 00	Furniture & Equipment	1 00	1 00
1,711 70	Motor Vehicles	5,000 00	5,000 00
	Stock	10,497 00	10,497 00
	Property Rights/Patents	1 00	1 00
	Bank Interest Net of Tax	3 31	3 31
	Trading Surplus/(Deficit)	7,011 13	7,011 13
	The Name	1 00	1 00
	Refund	36 00	36 00
		<u>22,550 44</u>	<u>22,550 44</u>
	COST OF REALISATIONS		
	Specific Bond	70 00	70 00
	Office Holders Fees	10,000 00	10,000 00
	Agents/Valuers Fees (1)	500 00	500 00
	Legal Fees (1)	1,305 00	1,305 00
	Legal fees (2)	1,540 00	1,540 00
	Website Fees	14 00	14 00
	Statutory Advertising	84 60	84 60
	Rents Payable	1,200 00	1,200 00
	Wages & Salaries	6,300 00	6,300 00
		<u>(21,013 60)</u>	<u>(21,013 60)</u>
(1,000 00)	PREFERENTIAL CREDITORS		
	DE Arrears & Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(133,959 14)	UNSECURED CREDITORS		
(12,999 48)	Trade & Expense Creditors	NIL	NIL
(341,760 54)	HM Revenue & Customs - VAT	NIL	NIL
	Acreyard Ltd	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(100 00)	DISTRIBUTIONS		
	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(482,908 00)		1,735.30	1,735.30

REPRESENTED BY

Vat Receivable
Bank 1 Current
Vat Payable

1,402 23
1,735 30
(1,402 23)

1,735 30



Paul Ellison
Joint Administrator

Time Entry - SIP9 Time & Cost Summary

ANGEL - Angel Cards Limited
Project Code POST
From 30/12/2015 To 29/06/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	1.40	13.20	0.00	0.00	14.60	4,228.00	289.59
Case Specific Matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Creditors	1.20	14.20	0.00	0.00	15.40	4,432.00	287.79
Investigations	0.00	4.10	0.00	0.00	4.10	1,148.00	280.00
Marketing	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Chargeable	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Realisation of Assets	6.30	8.00	0.00	0.00	14.30	4,634.00	324.06
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	8.90	39.50	0.00	0.00	48.40	14,442.00	298.39
Total Fees Claimed							10,000.00
Total Disbursements Claimed							0.00

PRACTICE FEE RECOVERY POLICY FOR KRE CORPORATE RECOVERY LLP

Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court. Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.r3.org.uk/index.cfm?page=1210>. Alternatively a hard copy may be requested from KRE Corporate Recovery LLP, Dukesbridge House, 23 Duke Street, Reading, Berkshire, RG1 4SA.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Chargeout Rates

Grade of staff	Current charge-out rate per hour, effective from 1 April 2015 £	Current charge-out rate per hour, effective from 1 January 2014 £
Partner – appointment taker	380	365
Manager and Senior Manager	280	260
Case Administrator and Assistant Manager	240	210
Support Staff	80	65

These charge-out rates charged are reviewed on 1 January each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories:

- Administration and Planning
- Investigations
- Realisation of Assets
- Employee matters
- Creditors
- Trading

Percentage basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal. Different percentages can be used for different assets or types of assets. Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

Fixed fee

The new legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis.

All bases

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or KRE Corporate Recovery LLP in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered

Mileage	45p per mile
Storage	£50 per box for the life of the case
Photocopying	5p per sheet
Postage	50p per small envelope
Postage	70p per large envelope