

Liquidator's Progress Report

S.192

Pursuant to Sections 92A and 104A and 192
of the Insolvency Act 1986

To the Registrar of Companies

Company Number

02482913

Name of Company

Blitz Games Studios Limited

I ~~Am~~

Roderick Graham Butcher, 79 Caroline Street, Birmingham, B3 1UP

the liquidator(s) of the company attach a copy of my ~~own~~ Progress Report
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 03/10/2013 to 02/10/2016

Signed



Date

18/11/16

Butcher Woods
79 Caroline Street
Birmingham
B3 1UP

Ref 1277/AD/AW

SATURDAY



QIQ 19/11/2016 #95
COMPANIES HOUSE

Blitz Games Studios Limited
(In Liquidation)

Liquidator's Summary of Receipts and Payments

RECEIPTS	Statement of Affairs (£)	From 03/10/2013 To 02/10/2015 (£)	From 03/10/2015 To 02/10/2016 (£)	Total (£)
Furniture & Equipment	21,300 00	19,600 00	0 00	19,600 00
Book Debts	116,971 00	25,747 41	0 00	25,747 41
Intellectual Property		29,001 00	0 00	29,001 00
Insurance Refund		5,067 43	0 00	5,067 43
Cash at Bank	164,058 00	25,124 32	0 00	25,124 32
Cash in Hand	66,600 00	66,600 00	0 00	66,600 00
Monies previously held by solicitors		4,033 40	0 00	4,033 40
Royalties Received		2,257 92	(2,039 60)	218 32
Employee Loans	5,315 00	996 70	640 00	1,636 70
		178,428.18	(1,399 60)	177,028 58
PAYMENTS				
Preparation of S of A		15,000 00	0 00	15,000 00
Office Holders Fees		0 00	50,000 00	50,000 00
Office Holders Expenses		685 99	0 00	685 99
Agents/Valuers Fees (1)		15,683 30	0 00	15,683 30
Agents/Valuers Fees (2)		1,200 00	0 00	1,200 00
Legal Fees (1)		26,015 55	0 00	26,015 55
Storage Costs		2,350 00	0 00	2,350 00
Statutory Advertising		849 80	0 00	849 80
Bank Charges		125 00	0 00	125 00
Employee Arrears/Hol Pay		47,091 90	0 00	47,091 90
		109,001 54	50,000 00	159,001 54
Net Receipts/(Payments)		69,426 64	(51,399 60)	18,027 04
MADE UP AS FOLLOWS				
Bank 1 Current		66,688 76	(48,661 72)	18,027 04
VAT Receivable / (Payable)		2,737 88	(2,737 88)	0 00
		69,426.64	(51,399 60)	18,027 04

Roderick Graham Butcher
Liquidator

Blitz Games Studios Limited – in Creditors' Voluntary Liquidation
Liquidator's Progress Report to Creditors and Members
For the year ending 2 October 2016

STATUTORY INFORMATION

Company name	Blitz Games Studios Limited
Registered office	79 Caroline Street, Birmingham B3 1UP
Former registered office	Regent Square House, The Parade, Leamington Spa, Warwickshire CV32 4NL
Registered number	02482913
Liquidator's name	Roderick Graham Butcher
Liquidator's address	Butcher Woods, 79 Caroline Street, Birmingham B3 1UP
Liquidator's date of appointment	3 October 2013

LIQUIDATOR'S ACTIONS SINCE APPOINTMENT

- Hold s98 meeting of creditors
- Filing of the notice of appointment and the resolution to wind up with the registrar
- Advertisement of the notice of appointment of the Liquidator in the London Gazette
- Letter to creditors providing a copy of the statement of affairs and further information regarding the liquidation
- Letter to directors regarding a director's questionnaire, minutes of the creditors meeting, duties and restrictions on the reuse of company name
- Take possession and control the company's statutory books and general books and records
- Setup and maintain case on Insolvency Practitioners System software facility
- Complete all diaries, checklists, reviews and bonding as required and review and maintain the same
- Maintaining the cash book
- Preparation of the receipts and payments and filing with the registrar
- Control and realise assets
- Effect sale of business assets, including intellectual property to a number of parties
- Reviewing and responding to creditor correspondence
- Consider whether the director is guilty of any criminal offences under The Insolvency Act 1986
- Completion and submission of a 'D' Return under the Company Directors Disqualification Act 1986
- Consideration of whether any civil actions should be taken against the directors

RECEIPTS AND PAYMENTS

My Receipts & Payments Account for the period from 3 October 2013 to 2 October 2016 is attached at Appendix 1

The balance of funds is held in a non-interest bearing estate bank account

ASSETS

Cash in Hand

An amount of £66,600 was realised upon my appointment, being funds received by us subsequent to taking instructions

Furniture & Equipment

The Statement of Affairs estimated that an amount of £21,300 would be realised in respect of items of office furniture and equipment located at the Company's former premises. A total of £19,600 has been realised in this regard following a sale of these items by my agents, MGR Appraisals.

Book Debts

The Statement of Affairs estimated that £116,971 may be realised in respect of book debts owed to the Company as at the date of my appointment. Upon further investigation, many of these amounts have proved unrealisable due to contractual deadlines having not been met by the Company.

A total of £25,747 has been realised in relation to the ledger. No further significant realisations are expected.

Intellectual Property

The company owned the rights to completed and part completed games. We advertised these for sale in the Financial Times on 18 October 2013. There was a limited response to this advert, however the trade was aware of the insolvency and we negotiated with 17 interested parties. We eventually agreed sales with 8 of these parties for a total of £29,001. One of these companies, Oliver Twins Limited, is controlled by a director of Blitz. The consideration for the sale to this company was £5,000 and they were the only offeror.

Cash at Bank

A total of £25,124 has been realised following the closure of the Company's former bank account with The Royal Bank of Scotland plc ("RBS"). This was previously included in the Statement of Affairs as being estimated to realise £164,058. Prior to the closure of the account, RBS applied set-off against the loan which they were also owed under their floating charge. The amount realised is therefore the net surplus available to the Company after the loan had been paid.

Insurance Refund

An insurance refund of £5,067 was received in respect of monies held by the Company's former provider of private medical insurance.

Monies previously held by solicitors

An amount of £4,033 has been received from George Green LLP, the Company's former solicitors, which had been held in their client account.

Employee Loans

The Statement of Affairs estimated that £5,315 would be realised in respect of monies advanced to employees prior to the Liquidator's appointment. A total of £917 has been realised to date. These assets continue to be realised, and an additional £640 has been received during the year 3 October 2015 to 2 October 2016.

Royalties Received

The Liquidator has realised a total of £2,258 in respect of royalties owed to the Company for its software. This is received on a sporadic basis and it is therefore not possible to estimate the amount of any future receipts in this regard, but will not be significant.

It became apparent during the year that £2,040 of these royalties was due to one of the purchasers of certain of the Intellectual Property assets. These monies have therefore been paid over to them as they are the rightful recipients of those funds. The balance of royalties received is due to the Company.

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 dated 12 June 2009 and registered 18 June 2009 in favour of RBS. As discussed above, RBS are no longer a creditor.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply.

Preferential Creditors

The statement of affairs anticipated £260,266 in preferential creditors. Claims totalling £263,857.85 have been received.

Non-preferential unsecured Creditors

The statement of affairs included 42 non-preferential unsecured creditors with an estimated total liability of £2,124,937. I have received claims from various creditors however these have not been adjudicated for dividend purposes.

DIVIDEND PROSPECTS

As discussed above, there are no secured or floating charge creditors in this matter.

Preferential creditors

Preferential creditors' claims of £263,858 have been received, and £262,374 of those claims agreed. A first and final dividend of 17.95p in the £ was paid to the preferential creditors whose claims had been agreed, totalling £47,091.90, on 30 March 2015.

Unsecured creditors

As there are no floating charge creditors in this matter, the Prescribed Part Regulations under s176A of the Insolvency Act 1986 will not apply.

Based on current information, it is not anticipated that there will be sufficient funds in this matter to enable a distribution to be made to the unsecured creditors.

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.

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

Within six months of my appointment as Liquidator, 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 him unfit to be concerned with the management of the Company. I would confirm that my report has been submitted.

PRE-APPOINTMENT REMUNERATION

The Board previously authorised the payment of a fee of £15,000 for my assistance with preparing the statement of affairs and convening and holding the meeting of creditors at a meeting held on 12 September 2013.

This fee was paid during the year 3 October 2014 to 2 October 2015.

LIQUIDATOR'S REMUNERATION

My remuneration was previously authorised by the creditors at a meeting held on 3 October 2013 to be drawn on a time cost basis. My total time costs to 2 October 2016 amount to £75,833.20, representing 333.36 hours' work at an average charge out rate of £227.48 per hour, of which £3,220.00, representing 21.05 hours' work, was charged in the period since 3 October 2015, at an average charge out rate of £152.97 per hour.

I have drawn £50,000 to 2 October 2015, all of which was drawn in the period 3 October 2014 to 2 October 2015.

A schedule of my time costs incurred to date is attached as Appendix 2.

A description of the routine work undertaken in the Liquidation to date is as follows

1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

2 Cashiering

- Maintaining and managing the Liquidator's cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on IPS
- Reviewing and adjudicating on proofs of debt received from creditors
- Dealing with correspondence with the Employment Tribunals Service, including attendance at an Employment Tribunal

4 Investigations

- Review and storage of books and records
- Preparing a return pursuant to the Company Directors Disqualification Act
- Conducting investigations into suspicious transactions
- Review books and records to identify any transactions or actions a Liquidator may take against a third party in order to recover funds for the benefit of creditors

5 Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding book debts
- Liaising with the Company's bank regarding the closure of the account
- Realisation of the various intellectual property assets
- Realisation of the Company's chattel assets
- Realisation of various other sundry assets, as discussed above

A copy of 'A Creditors Guide to Liquidators' Fees' published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised)' together with an explanatory note which shows Butcher Woods' fee policy are available at the link <http://www.butcher-woods.co.uk/creditors-information.php> Please note that there are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post-April 2010 version. A hard copy can be obtained on request from the address below

LIQUIDATORS' EXPENSES

My expenses to 2 October 2016 amount to £868 76, of which £182 77 was incurred during the period 3 October 2015 to 2 October 2016. These are made up as follows:

<u>Nature of disbursement</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Amounts drawn</u>
	£	£	£
Bordereau	£480 00		£480 00
Mileage		£74 70	£74 70
Postage	£246 70		£98 73
Printing & photocopying		£67 36	£32 56
Total	£726.70	£142.06	£685.99

I have drawn £685 99 to date.

The following agents or professional advisors have been utilised in this matter:

<u>Professional Advisor</u>	<u>Nature of Work</u>	<u>Fee Arrangement</u>
MGR Appraisals	Valuer/Auctioneer	Percentage of realisations
Squire Sanders (UK) LLP	Solicitors	Time costs
ERA Solutions	Employee claims consultants	Set fee
Asset Storage Limited	Storage Costs	Based on volume of records held
PD Financial Management	Pensions Advisors	Time costs

MGR Appraisals were engaged to provide a valuation of the Company's chattel assets and to assist with their sale. They have been paid a total of £7,068 30 in this regard.

Squire Sanders (UK) LLP were engaged to provide legal advice in relation to the sale of the Company's intellectual property, in addition to various other matters. They have been paid a total of £26,015 55.

ERA Solutions were engaged to assist with the collation and calculation of the employees' claims, as well as dealing with queries raised by employees during the Liquidation. They have been paid £8,615.

Asset Storage Limited were engaged to assist with the collection and storage of the Company's books and records. They have been paid £2,350.

PD Financial Management were engaged to provide advice regarding the Company's former pension scheme and to assist with its orderly winding up. They have been paid £1,200.

The choice of professionals 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. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case.

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 Joint Liquidators' 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 creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' 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.

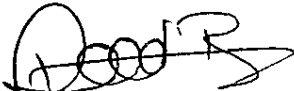
SUMMARY

The Liquidation will remain open until the realisation of the remaining assets have been fully resolved. I estimate that this will take approximately 12 months and once resolved the Liquidation will be finalised and our files will be closed.

Should you have any queries regarding this report, or the Liquidation in general, please contact Andrew Deere on 0121 236 6001.

At Butcher Woods we always strive to provide a professional and efficient service, however we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. If you should have cause to complain about the way that we are acting, you should, in the first instance, put details of your complaint in writing to our complaints officer Richard Goodwin. This will formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a senior partner unconnected with the appointment.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email ip.complaints@insolvency.gov.uk, or you may phone 0845 602 9848 - calls are charged at between 1p and 10.5p per minute from a land line, for mobiles, between 12p and 41p per minute if you're calling from the UK.



R G Butcher
Liquidator

Blitz Games Studios Limited
(In Liquidation)

Liquidator's Summary of Receipts and Payments

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PAYMENTS

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MADE UP AS FOLLOWS

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Roderick Graham Butcher
Liquidator

Time Entry - SIP9 Time & Cost Summary

1277 - Blitz Games Studios Limited
All Post Appointment Project Codes
To 02/10/2016

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
Admin & Planning	22 30	0 00	24 01	8 00	54 31	10 371 20	190 96
Case Specific Matters	6 45	0 00	6 17	5 00	17 62	3 175 40	180 22
Creditors	45 25	0 00	40 60	0 00	85 85	18 447 00	214 87
Investigations	26 00	0 00	7 75	0 00	33 75	8 730 00	258 67
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
Pre Appointment	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Realisation of Assets	100 50	0 00	41 33	0 00	141 83	35 109 60	247 55
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Total Hours	200 50	0 00	119 66	13 00	333 36	75,833 20	227 48
Total Fees Claimed							
Total Disbursements Claimed						50,000 00	0 00