

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company World Gaming PLC	Company number 4094204
In the High Court of Justice (full name of court)	For court use only 7446 of 2006

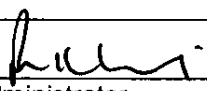
(a) Insert full name(s) and address(es) of administrators

We Andrew Andronikou [and Peter Kubik of UHY Hacker Young LLP, Quadrant House, 17 Thomas More Street, Thomas More Square, London, E1W 1YW

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

(b) Insert date

From 13 October 2008	To 27 February 2009
-------------------------	------------------------

Signed 
Joint Administrator
Dated 27-02-09

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 searches of the public record

Daniel Matta
UHY Hacker Young LLP
Quadrant House, 17 Thomas More Street
Thomas More Square
London
E1W 1YW

Tel: 020 7216 4642



A01

03/03/2009

211

COMPANIES HOUSE

I have completed and signed this form please send it to the Registrar of Companies at:

es House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

**WORLD GAMING PLC
(IN ADMINISTRATION)
FINAL PROGRESS REPORT TO CREDITORS IN ACCORDANCE WITH R2.47 AND
R2.110 INSOLVENCY ACT 1986**

A) COURT DETAILS

High Court of Justice, Chancery Division, Thomas Moore Buildings, The Strand,
London WC2H 2LL

Court No. 7446 of 2006

B) REGISTERED NAME, ADDRESS AND NUMBER

World Gaming Plc (In Administration), ("the Company")

Registered office: Quadrant House, 17 Thomas More Street, Thomas More Square,
London, E1W 1YW

Registered Number: 4094204

C) ADMINISTRATION APPOINTMENT DETAILS

Andrew Andronikou and Peter Kubik of Quadrant House, 17 Thomas More Street, Thomas More Square, London, E1W 1YW, were appointed Joint Administrators of World Gaming PLC on the 13 October 2006 by the directors of the Company pursuant to paragraph 22 of Schedule B1 to the insolvency Act 1986.

In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the functions of the Joint Administrators are being exercised by any of the Administrators.

D) DETAILS OF ANY EXTENSIONS

Creditors agreed on 11 April 2008 to a 6 month extension to the Administration in accordance with Paragraph 108 of Schedule B1 Insolvency Act 1986. Therefore the automatic end of the Administration is 11 April 2009.

E) SUMMARY OF ORIGINAL PROPOSALS

There was a sale of the shares and assets of the Company and two associated companies, WG International Limited (incorporated in England, under company number 04094199) and Interactive Systems, Inc. (incorporated in Anigua and Barbuda, under company number 14156), completed on 13 October 2006 to Buronomic Limited (incorporated in Cyprus, under company number HE184687). The consideration for all three companies was for an initial sum of \$2,600,000, and a further deferred consideration in the sum of \$5,000,000.

Apportioned as follows:-

World Gaming Plc	\$592,000
WG International Limited	\$438,000
Interactive Systems, Inc.	\$6,570,000

Total	<u>\$7,600,000</u>
--------------	---------------------------

Where the Joint Administrators have instructed other professional agents and solicitors to assist in the Administration, those agents', solicitors' and other professional costs be discharged during the course of the Administration, as a cost of the Administration.

That the Joint Administrators' will be discharged from liability in respect of any action, taken as Administrators, two weeks after issuing the final progress report to all known creditors.

These proposals may be revised by the Administrator should the creditors so wish.

The Joint Administrators' remuneration and category 1 disbursements be based on the time properly incurred and actual costs incurred in the conduct of the Administration. If the creditors agree the basis of the Administrators remuneration, it is further agreed that they be empowered to draw and pay such remuneration and disbursements in respect of these costs.

It is proposed that the administration will end by the Company going into Creditors' Voluntary Liquidation, however, if there are insufficient funds to pay a dividend to creditors, it is proposed that the administration will end by the Company being dissolved.

F) CURRENT POSITION ON ADMINISTRATION

All assets have been realised and there are no further monies due into the Administration.

G) REASONS FOR A PROPOSED REVISION

There will be a dividend to unsecured creditors under the prescribed part, therefore it is proposed that the Company enter Creditors Voluntary Liquidation, with Peter Kubik and Andrew Andronikou as Joint Liquidators.

H) PROPOSED REVISION OF ADMINISTRATORS PROPOSAL (RESOLUTION 1)

It was proposed that the administration will end by the Company going into Creditors' Voluntary Liquidation, however, if there are insufficient funds to pay a dividend to creditors, it was proposed that the administration will end by the Company being dissolved.

It was agreed by creditors on 26 February 2009 that the administration will end by the Company being placed into Creditors' Voluntary Liquidation and that Peter Kubik and Andrew Andronikou of UHY Hacker Young LLP be appointed Joint Liquidators. The Joint Liquidators' remuneration and category 1 disbursements be based on the time properly incurred and actual costs incurred in the conduct of the Liquidation. It was further agreed that they be empowered to draw and pay such remuneration and disbursements in respect of these costs.

Receipts and payments account

Attached at **Appendix 1** is a copy of our receipts and payments account for the period 13 October 2006 to 27 February 2009 from which you will note that totals receipts for the period are £849,464.08 and total payments of £734,415.77 resulting in a balance in hand of £115,048.31.

CREDITORS CLAIMS

Secured creditors

Initially it was believed that Southwark Investments Limited ("Southwark") was a secured creditor with a Fixed and Floating Charge over the Company assets. A payment was made to them of £524,434 under this fixed charge. However, it has since come to light that Southwark does not hold a fixed charge and are therefore no longer a secured creditor.

Please note that this payment does not affect the level of dividend to unsecured creditors as Southwark's hold an unsecured claim in the Administration of £45m.

Preferential creditors

There are no preferential creditors in this matter.

Non preferential

The trade and expense creditors, as per the statement of affairs totalled £73,123. Creditors claims agreed to date total £90,758. Please be advised that we shall be shortly in a position to declare a catch up dividend to unsecured creditors, notice of which shall be circularised to all known creditors in due course.

DIVIDEND PROSPECTS

I am of the opinion, based on the current information, that the prospects are likely and that the creditors have agreed to place the Company into Creditors Voluntary Liquidation in order to pay a dividend to unsecured creditors.

COSTS AND EXPENSES

Joint Administrators Remuneration and Disbursements

We would confirm a resolution that the Joint Administrators' may draw and pay their time costs and category 1 and 2 disbursements properly incurred was passed on 27 December 2006 by a meeting of creditors.

The Administrators total time costs, category 1 and category 2 disbursements are £188,185.83, £3,522.13 and £230.00 respectively to date. The time costs, category 1 and category 2 disbursements are summarised at **Appendix 2**. Time costs of £157,869 have been drawn to date together with £3,292.15 of category 1 disbursements. I intend to draw the remainder in full.

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as Category 1 Disbursements.

Category 2 disbursements are where my firm incurs overheads in relation to postage, stationery, photocopying, storage and room hire.

Solicitors' fees

As previously advised solicitor's were instructed on a time-costs basis to assist with the initial appointment of Administrators and the completion of the sale agreement. Our solicitor's total fees in this matter amounted to £29,495.80 and have been paid in full.

Agents' fees

As previously advised agents have been instructed on a time-costs basis to realise the assets of the company and provide marketing advise in the administration. Our agents outstanding time-costs to date amount to £7,640.58 and fees of £7,640.58 have been met from the administration funds. The agents' fees are being regularly reviewed as part of the strategic review of the case.

I) DETAILS OF ANY ASSETS THAT REMAIN TO BE REALISED

There are no further assets to realise.

J) SUMMARY OF ANY MAJOR AMENDMENTS OR DEVIATIONS FROM THE PROPOSALS

See above point H.


K) STEPS TAKEN DURING THE ADMINISTRATION AND OUTCOME OF THE ADMINISTRATION

As stated above the Company shall be placed into Creditors' Voluntary Liquidation in order to pay a dividend to creditors.

Creditors Committee and Investigations

No creditor committee was formed as no creditors' meeting was held.

We have undertaken an investigation into the affairs of the Company and the conduct of the directors and reported accordingly.



Andrew Andronikou
Joint Administrator

Dated: 27 February 2009

WORLD GAMING PLC - IN ADMINISTRATION

Final Receipts and Payments from 13 October 2006 to 27 February 2009

	Statement of Affairs Estimated To Realise Value £	Actual Value £	Difference
Receipts			
Sale of Business	254,433.72	254,433.72	-
Cash & Bank Balances	-	383,642.17	383,642.17
VAT	-	154,041.48	154,041.48
TAX Refund	-	51,505.31	51,505.31
Bank Interest Gross	-	5,098.37	4,860.33
Deposit on petition	-	743.03	743.03
	<u>254,433.72</u>	<u>849,464.08</u>	<u>594,792.32</u>
Payments			
Specific Bond		350.00	
Meeting Room - Cancellation Fee		382.50	
Consultancy Fees		7,640.58	
Corporation Tax Advice - BDO Stoy Hayward		9,000.00	
Notary fee		311.00	
Bank Charges		45.00	
Statutory Advertising		332.00	
Legal Fees		29,495.80	
Joint Administrators' Disbursements		3,292.15	
Joint Administrators' Fees		157,869.00	
VAT receivable		1,264.02	
		<u>209,982.05</u>	
1st Dividend to Unsecured Creditors		524,433.72	
Balance in Hand		<u><u>115,048.31</u></u>	

WORLD GAMING PLC - IN ADMINISTRATION

Summary of Joint Administrators time costs from 13 October 2006 to 21 February 2008

Classification of work function	Partner Hours	Director Hours	Manager Hours	Asst Manager Hours	Sr Administrator Hours	Administrator Hours	Junior Administrator Hours	Total Hours	Total Cost £	Avg Hourly Rate £				
General Administration	128.00	40,976.00	0.00	286.00	35,217.50	17.50	522.50	4.75	402.50	0.00	0.00	438.25	77,018.50	176.55
Administration & Planning - Case Planning	14.50	3,407.50	0.33	0.00	0.00	32.85	2,420.50	4.00	360.00	0.00	0.00	51.68	6,246.33	120.87
Administration & Planning - Adm Set Up	0.00	0.00	0.00	0.00	0.00	4.90	490.00	0.00	0.00	0.00	0.00	4.90	490.00	100.00
Administration & Planning - Records	0.00	0.00	0.00	0.00	0.00	1.00	100.00	0.00	0.00	0.00	0.00	1.00	100.00	100.00
Administration & Planning - Reports	0.00	0.00	0.00	0.00	0.00	11.70	1,170.00	0.00	0.00	0.00	0.00	11.70	1,170.00	100.00
General Realisation of Assets	174.00	63,408.00	0.00	53.00	6,590.00	0.50	35.00	0.50	40.00	0.00	0.00	228.00	70,073.00	307.34
Realisation of Assets - Identifying, Securing	35.00	14,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35.00	14,000.00	400.00
Realisation of Assets - Property, Business	0.00	0.00	0.00	7.00	980.00	6.00	600.00	0.00	0.00	0.00	0.00	13.00	1,580.00	121.54
Realisation of Assets - Debt Collection	0.00	0.00	0.00	0.50	70.00	6.50	650.00	5.50	440.00	0.00	0.00	12.50	1,160.00	92.80
General Creditors	14.00	5,040.00	0.00	70.00	8,400.00	24.35	1,858.00	1.00	85.00	0.00	0.00	106.35	15,383.00	140.88
Creditors - Claims and Employees	0.00	0.00	0.00	1.00	140.00	1.50	150.00	0.00	0.00	0.00	0.00	2.50	290.00	116.00
Investigations	0.00	0.00	0.00	0.00	0.00	1.25	100.00	0.00	0.00	0.00	0.00	1.25	100.00	80.00
Case Specific Matters: (specify) eg Tax, Litigation	0.00	0.00	0.00	0.00	0.00	5.75	575.00	0.00	0.00	0.00	0.00	5.75	575.00	100.00
TOTAL HOURS	365.50		0.33	417.50	51,397.50	113.80	£8,671.00	15.75	£1,327.50	0.00	0.00	912.88	£186,185.83	
TOTAL TIME CHARGED (£)		£120,731.50												
Average hourly cost (£)		£346.73	£176.76	123.11	£76.20	£84.29	0.00							£206.13

All figures are shown net of VAT

ANALYSIS OF DISBURSEMENTS: Category 2		
Type & Purpose	Cost basis	Costs to date £
Stationery / fax / postage / telephone	One off cost of £5 per creditor	80.00
Stationery / fax / postage / telephone	One off cost of £3 per debtor	0.00
Internal storage of Company records	£8 per annum per box	0.00
Internal storage of Insolvency Practitioner's working papers	£5 per annum for 10 years	50.00
Files and indices	One off cost of £35	35.00
Photocopying (other than to creditors)	10p per sheet	0.00
Internal meeting room cost	£85 per hour	95.00
Mileage (own car usage)	40p per mile	0.00
eg Tax Services, UHY Hacker Young, London	state basis	0.00
TOTAL		£230.00

ANALYSIS OF DISBURSEMENTS: Category 1		
Type & Purpose	Costs to date £	
Travel	2,486.19	
Bond	200.00	
Entertaining	154.00	
Accommodation	534.01	
Courier	21.93	
City Registrars	116.00	
Total	3,622.13	

SIP 9 STANDARD ACTIVITY SUMMARIES

Standard Activity	Examples of Work
Administration and Planning	Case Planning Administrative set up Appointment notification Maintenance of records Statutory reporting
Investigation	SIP 2 CDDA report Investigating antecedent transactions
Realisation of assets	Identifying, securing, insuring assets Retention of title Debt collection Property, business and asset sales
Trading	Management of operation Accounting for trading On-going employee issues
Creditors	Communication with creditors Creditor claims (including employees and other preferential creditors)

ADP Automatic Data Processing Ltd
Syward Place
Pyrcroft Road
Chertsey
Surrey, KT16 9JT

ADP Investor Communications Services
P O Box 23487
Newark
New Jersey
071896
USA

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent, BR3 4TU

CDW Canada
c/o RMS
307 International Circle
Suite 270, Hunt Valley
MD 21030
CANADA

College Hill
78 Cannon Street
London
EC4N 6HH

Continental Stock Transfer & Trust Co
17 Battery Place
New York
New York 10004
USA

DLA Piper UK LLP
1 St Paul's Place
Sheffield
S1 2JX

Futtermann & Dupree LLP
160 Sansome Street
17th Floor
San Francisco
CA 94104
USA

HM Revenue & Customs
Debt Management Enforcement
Durrington Bridge House
Barrington Road
Worthing
West Sussex

HM Revenue & Customs
South East London Area
New Kings Beam House
22 Upper Ground
London, SE1 9PJ

Inland Revenue
Accounts Office
Shipley
Bradford
BD98 8AA

London Stock Exchange
10 Paternoster Square
London
EC4M 7LS

Lucky Hill Limited
101-1001 W. Broadway #185
Vancouver BC
Canada
V6H 4E4

Reed Smith LLP
Rambaud Charot LLP
Minerva House
5 Montague Close
London, SE1 9BB

Southwark Investments (UK) Limited
c/o John Alexander Limited
115 Chase Side
Southgate
London
N14 5HD

The Depository Trust Company
P O Box 27590
New York
NY 10087-7590
USA