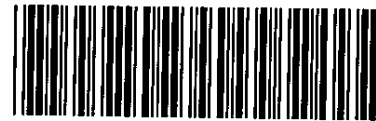


In accordance with
Rule 3.35 of the
Insolvency (England &
Wales) Rules 2016 &
Paragraph 49(4) of
Schedule B1 to the
Insolvency Act 1986

AM03

Notice of administrator's proposals

SATURDAY



A15 *A75CS87D* 05/05/2018 #218
COMPANIES HOUSE

3e

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www.gov.uk/companieshouse

1	Company details
Company number	0 4 2 0 1 1 5 1 /
Company name in full	Grainger Games Limited ✓
→ Filling in this form Please complete in typescript or in bold black capitals.	


2	Administrator's name
Full forename(s)	Steven Philip
Surname	Ross

3	Administrator's address
Building name/number	RSM Restructuring Advisory LLP
Street	1 St James' Gate
Post town	Newcastle upon Tyne
County/Region	
Postcode	N E 1 4 A D
Country	

4	Administrator's name ①
Full forename(s)	Allan David
Surname	Kelly
① Other administrator Use this section to tell us about another administrator.	

5	Administrator's address ②
Building name/number	RSM Restructuring Advisory LLP
Street	1 St James' Gate
Post town	Newcastle upon Tyne
County/Region	
Postcode	N E 1 4 A D
Country	
② Other administrator Use this section to tell us about another administrator.	

AM03
Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	Signature ✕		✕
Signature date	d 0 d 4	m 0 m 5	y 2 y 0 y 1 y 8

AM03 Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Steven Philip Ross
Company name	RSM Restructuring Advisory LLP
Address	1 St James' Gate
Post town	Newcastle upon Tyne
County/Region	
Postcode	N E 1 4 A D
Country	
DX	
Telephone	0191 255 7000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

In the matter of

**Grainger Games Limited In Administration
('the Company')**

In the In the High Court of Justice, Business and Property Courts in Leeds No 281 of 2018

Joint Administrators' proposals and report 4 May 2018

Date of delivery of Proposals: 4 May 2018

**Steven Ross and Allan Kelly
Joint Administrators ('the Administrators')
Appointed 4 April 2018**

**RSM Restructuring Advisory LLP
1 St James' Gate
Newcastle upon Tyne NE1 4AD
Tel: 0191 255 7000
Email: restructuring.newcastle@rsmuk.com**

Sections

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2. Events leading up to the Administration
3. Statement of affairs
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7. Investigations
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Appendices

- A. Statutory, dividend and other information
- B. Statement of affairs
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- D. Proof of debt
- E. Charging, expenses and disbursements policy statement
- F. Joint Administrators' current charge out and disbursement rates
- G. 'Category 2' disbursement table
- H. Joint Administrators' scope and assumptions
- I. Estimate of all expenses likely to be incurred by the Joint Administrators in the Administration
- J. Joint Administrators' pre-appointment time cost analysis
- K. Analysis of pre-administration costs
- L. SIP 16 statement (and viability statement / review)

1 Purpose of report

The Administrators are pleased to present their Proposals and Report pursuant to Paragraph 49, Schedule B1 to the Insolvency Act 1986 and other relevant legislation.

This proposal has been prepared solely to comply with the statutory requirements of Paragraph 49, Schedule B1 to the Insolvency Act 1986. It has not been prepared for use in respect of any other purpose, or to inform any investment decision in relation to any debt or financial interest in the Company. Any estimated outcomes for creditors are illustrative and may be subject to significant change. Neither the Administrators nor RSM Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this proposal.

RSM Restructuring Advisory LLP was previously named Baker Tilly Restructuring and Recovery LLP until 26 October 2015.

2 Events leading up to the administration

Brief background

The Company was incorporated on 18 April 2001 trading as a retailer of new and pre-owned gaming products.

The Company diversified its offerings to mitigate the changes in the core gaming sector and reduce the risk of a longer-term shift towards a digital delivery model for console gaming. During 2012 the Company commenced the sale of pre-owned mobile phones and tech products, within a new brand of 'Trade Nation' soon followed by a repair service for the same, branded as 'Smartfix'. During 2017 the Company expanded into the sale of licenced, collectible merchandise, within a new brand of 'Be More Geek'.

Following a poor peak trading period over Christmas 2016 caused by the global apathy around certain games releases and new console launches scheduled during 2017, the Company experienced an EBITDA loss. Management immediately implemented a turnaround plan during early 2017 which included a number of central redundancies, reductions in director and management remuneration and an expansion of the non-gaming business.

On the back of this performance, the Company's former bankers, Lloyds Bank Plc ('Lloyds'), moved the monitoring of the Company's performance into its business support unit early in 2017. RSM were engaged during April 2017 to assist the Company in obtaining new working capital facilities. Work commenced during June 2017, initially to raise short-term bridging finance to supplement the anticipated excess over the existing facilities for the Q4 2017 Christmas period, with a view to sourcing new working capital facilities if Lloyds did not renew facilities. The short-term finance was ultimately not required as the Company was able to accommodate trading through on its existing facilities.

During August and September 2017, supplier credit limits were confirmed which, alongside tight working capital management and short-term management assistance in December 2017 enabled the business to trade well through the Christmas period, performing ahead of budget and restore a positive EBITDA performance (a swing of approximately £700k against prior year).

At this stage, Lloyds confirmed that they could not renew existing facilities beyond 31 December 2017 and the Company should seek an alternative lender. RSM assisted the Company in making approaches to a number of lenders (high street and alternative) and an offer of committed funding for 2 years was received from Aurelius Finance Company Limited ('Aurelius'). This offer was accepted by the Directors and the refinance completed in January 2018.

Credit limits were reduced from peak trading requirements in January 2018 as was the norm. However, on 2 March 2018 a major supplier notified the Company that its credit insurer was reviewing the Company's insurable credit limit and it would be an all or nothing decision. The Directors arranged to meet Allan Kelly of RSM on 5 March 2018. Shortly prior to the meeting on 5 March 2018, the supplier advised management that the credit insurer would remove the credit limit in its entirety although the supplier was trying to prevent this. The credit insurer also provided cover to other suppliers and management had significant concerns regarding the Company's limits with other insurers.

Management considered that the impact of removal of the credit limits would leave cash flow unmanageable especially given the upcoming off-peak seasonal trading across the coming six months over the summer. Informal discussions were arranged with two specialist private equity houses for 7 March 2018 regarding investment or a sale of the Company.

Shortly prior to the private equity discussions on 7 March 2018, a second supplier using the same credit insurer notified management that the credit limit with them had been withdrawn in its entirety.

Continued discussions were held with the private equity houses and further information provided. However, over the weekend of 10 March 2018, both confirmed that they would be unable to proceed given the funding requirement in the absence of normal credit limits.

Discussions were held with Aurelius on 8 March 2018 whilst management were exploring the equity and investment options. Management continued to explore the ability to secure credit limits during week commencing 12 March and review business plans. Notification was received from the Company's major supplier that they had secured a three-month extension. However, management considered that the lack of certainty was a material risk to continued trading particularly as the Company was entering the low seasonal trading period which was historically loss-making and the removal of limits after three months would see a materially worse position.

Having reconsidered the options, on 13 March 2018 RSM were engaged by the Company to undertake an accelerated sale process of the business (in whole or part) and to assist the Directors in placing the Company into Administration. Details of the marketing of the business and assets is included within the attached SIP 16 disclosure, together with other alternative options that were considered.

Following assessment of the offers received and conclusion that a stock sale should be progressed, dialogue was opened with a number of the major creditors who may hold reservation of title (subject to verification) across certain areas of stock.

On the basis of the information that was made available to RSM, we considered that due to the financial circumstances of the Company an Administration was an appropriate option for the Directors to consider; a Notice of Intention to appoint Administrators was filed in Court on 21 March 2018. The Directors appointed Stephen Ross and Allan Kelly of RSM Restructuring Advisory LLP, 1 St James Gate, Newcastle Upon Tyne, NE1 4AD as Joint Administrators and the relevant documents were filed at Court on 4 April 2018.

Company's trading history

Relevant extracts from the Company's financial statements are summarised below.

	Year ended 25 Mar 2017	Year ended 26 Mar 2016	Year ended 28 Mar 2015
	£	£	£
Status	Audited Accounts	Audited Accounts	Audited Accounts
Turnover	48,718,621	51,107,713	53,459,683
Profit/(Loss) for the year	(799,852)	196,536	101,759
Fixed assets	1,386,027	1,723,136	2,049,883
Current assets	5,337,136	5,794,246	5,009,228
Current liabilities	(4,701,042)	(4,564,614)	(4,309,572)
Long term liabilities	(124,775)	(217,304)	(197,242)
Net assets	1,870,000	2,669,852	2,473,316

3 Statement of affairs

The Directors' estimated Statement of Affairs as at 4 April 2018 is shown at Appendix B and was provided by Mr S Bowyer. It should be noted that:

- Stock is included before any deductions for retention of title claims.
- Cash at bank is purely an estimated figure.
- No provision has been made for a termination charge by Aurelius.

Statement of Concurrence

A Statement of Concurrence from Mr J Fellows has been signed.

4 Purpose of the Administration

Paragraph 3 to Schedule B1 to the Insolvency Act 1986 sets out the purposes of an Administration. The Administrators' must perform their functions with the objective of either:

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

It was not possible to achieve statutory purpose (a) because the Company was insolvent and therefore unable to trade. The Administrators are expected to achieve statutory purpose (b) as it is the view of the Administrators that the sale transaction (further details below) enables the statutory purpose to be achieved and that the sale price achieved as the best reasonably obtainable in all the circumstances and should keep costs of the Administration to a minimum and provide the best possible return to creditors.

Strategy

The Administrators' strategy has been to complete the sale of the Company's stock, as detailed in Appendix L, and to manage the wind-down process of the business with a view to realising funds for the secured creditors, preferential creditors and unsecured creditors, by virtue of the Prescribed Part.

As disclosed in the SIP 16 statement at Appendix L six offers were received for the Company's stock. There were no interested parties in taking the whole business and/or assets of the Company as a going concern which would have realised a greater amount than the sale progressed by the Administrators. After consideration of continued trading through an Administration which was not considered appropriate, the sale process moved towards a sale of the Company's main asset, its stock.

Please note that the Administrators' role in the pre-appointment period, in relation to the sale, was to advise the Company and not the Directors in their personal capacity in connection with the transaction. When considering any sale or disposal of the Company, its' business or assets, the Administrators' must perform their functions in the interests of the Company's creditors as a whole. However, where the objective is to realise property in order to make a distribution to secured or preferential creditors, the Administrators have a duty to avoid unnecessarily harming the interests of creditors as a whole.

Other

The Administrators engaged the following professional advisers to assist with discharging their duties:

Professional Adviser or Agent	Service	Basis of Fees
DWF LLP	Appointment advice re: notice of intention Reservation of title claim assistance Property advice	Time Cost
Squire Patton Boggs LLP	Appointment advice re: administrator appointment Sale agreement	Time Cost
European Valuations Limited	Valuation advice Transaction support	Time Cost / fixed fees

5 Conduct of the Administration

Realisation of assets

The Joint Administrators are obliged to realise and get in the Company's property and maximise realisations. In some cases, this does not result in sufficient realisations to result in a financial benefit to creditors, after taking into account the costs and expenses of realisation and dealing with the legislative requirements of administering the case. Details of the realisations made are set out below, with information relating to dividends, if any, contained within Appendix A.

Stock

The sale of the Company's stock was completed on 4 April 2018.

The stock consisted of approximately 500,000 individual items of new gaming stock, pre-owned gaming stock, pre-owned electricals, merchandise and collectables located across 67 locations. The gross sale price is £1.375m which has been calculated as a varying percentage in the pound of the purchase price dependent on stock category. The final consideration received will fluctuate against the gross sale price as it is dependent upon:

- Final stock take;
- Mix of stock across the various categories at completion;
- Stock being of marketable quality; and
- Reservation of title claims.

No security has been taken by the Administrators. However, title to the stock remains vested in the Company until the stock has been verified and paid for. £1m is being held in an escrow account until the stock count and reservation of title claims are finalised.

The stock reviewed and collated to date is running at approximately 15% lower than the carrying book value and prior to deductions for damaged goods. We now anticipate that the gross proceeds received will be less than £1m.

A number of employees were retained to facilitate the collection of stock from the stores and warehouse by the purchaser. Employees at the Company's head office have also assisted in the wind-down of the Company's operations.

Cash at bank and cash on hand

The Company had cash at bank of £327,390 at the date of appointment. The Administrators have received £295,390 to date, with the balance of £32,000 being held by a combination of Aurelius and Lloyds until the position with potential customer claims becomes clearer.

Cash on hand of £90,928 has been collected and banked from the Company's 67 stores.

Motor vehicles

The Company owned one van which has been sold for £7,000 plus VAT. The van was valued and realised by our agents, European Valuations.

A further five vans were subject to hire purchase agreements. There was equity in three of the vans which the Administrators have sold for £21,000 plus VAT and settled the outstanding finance of £20,067. There was no equity in the two other vans and these have been passed back to the hire purchase provider.

There were also four vehicles which were on lease and these have been passed back to the leasing company.

Fixtures and fittings

Fixtures and fittings have not been recovered. EV have indicated that the fixtures and fittings on average would realise approximately £1,000 per store. After considering the costs of dismantling, uplift and sale, EV did not consider that it was commercially or economically viable to progress any sale of the fixtures and fittings.

Intellectual property

The Administrators are currently exploring opportunities in respect of realising value from the Company's intellectual property.

Debtors

Debtors within the Company balance sheet included trade rebates and pre-payments.

Trade rebates will be offset against any outstanding supplier balance and due to the timing of the Administration the level of pre-payments had largely been extinguished.

We do not expect any recovery from this source.

Claim for compensation for mis-selling of Interest Rate Hedging Product ('IRHP')

The Administrators have begun their investigations into whether the Company was mis-sold an IRHP. We do not anticipate any realisations from this source, as based on current information there were no IRHPs sold to the Company.

Retention of title ('ROT') claims

The Administrators have received twelve ROT claims in respect of the Company's stock. To date, the Administrators have agreed the validity of five claims and rejected two claims due to suppliers not being able to identify their stock and / or not having sufficient supporting documentation. Two suppliers have subsequently withdrawn their claims after initially submitting retention of title claims and three claims remain ongoing.

The Administrators have experienced high-levels of correspondence and telephone calls in respect of ROT and have arranged numerous visits for suppliers to identify their stock. As part of the ROT claim agreement process the Administrators have engaged DWF LLP ('DWF'), solicitors to advise the Administrators and comment on the legality of the same to assist in their adjudication.

Leasehold properties

The Company operated from 67 stores, a head office and a warehouse prior to Administration. The Administrators and their staff have spent time responding to correspondence and telephone calls from landlords and their managing agents.

Outside of the head office / warehouse, the properties were not occupied by the Administrators and all have been vacated. Keys have been returned to landlords and the Administrators continue to deal with

the Company's leases on the properties, as applicable.

Administration and planning

Certain aspects of the work that the Administrators are undertake are derived from the underlying legal and regulatory framework for cases of this nature. This work, which does not usually result in any direct financial benefit to creditors, is a necessary aspect of ensuring that the Administrators are complying with both of their legislative and best practice responsibilities, and ensuring that the case is managed efficiently and effectively. It includes matters such as:

- Periodic case reviews, ongoing case planning and strategy;
- Maintaining and updating computerised case management records;
- Dealing with routine correspondence not attributable to other categories of work;
- Ongoing consideration of ethical and anti-money laundering regulations;
- General taxation matters, including seeking tax clearance from HMRC;
- Preparation of receipts and payments accounts, maintenance of cashiering records;
- Preparing, reviewing and issuing reports to creditors and other parties;
- Filing of documentation at Companies House, Court and other relevant parties;
- Pension schemes, liaising with PPF/Pensions Regulator/Trustees;
- Consideration of health and safety and environmental regulations; and
- General administrative matters in relation to closing the case.

6 Creditors' claims and dividend prospects

Secured creditor

The Company's indebtedness with Aurelius Finance Company Limited was secured by a debenture created on 24 January 2018 and registered with the Registrar of Companies on 30 January 2018 giving a fixed and floating charge over the assets and undertaking of the Company.

The secured creditor had no capital outstanding as at the date of the Administrators appointment. Aurelius have made a claim of £646,254 plus advisor fees in respect of contractual costs (interest, early termination fee, collateral management fee) within their agreement associated with the early termination of their facility.

The Administrators will engage independent solicitors to review the ability of Aurelius to claim these costs and advise the creditors of the outcome of this review in our next report.

Preferential creditors

The only known preferential creditors are the former employees of the Company for unpaid wages and holiday pay. Their claims are subject to a maximum limit set by the insolvency legislation.

Wages and salaries for all employees had been paid up to 31 March 2018 which was also the end of the holiday year.

The estimate value of the preferential claims is approximately £63,000. Preferential claims are likely to be paid in full, subject to the outcome of the final asset realisations and costs of the Administration.

Unsecured Creditors

The value at which creditors' claims are stated in the Statement of Affairs are, as is required by legislation, those which are reflected in the books and records of the Company. It is our view that the position appears relatively accurate based on our knowledge to date. In addition, certain claims may be subject to reduction in respect of mitigation, set-off or retention of title.

The agreement of creditors' claims by the Administrators (or any subsequently appointed Supervisor or Liquidator) is a separate matter and will be dealt with as appropriate in due course, initially by reference to the proofs of debt lodged in the proceedings by creditors themselves.

Dividend prospects and projected returns to creditors, where known, are detailed in Appendix A, including any amount under the Prescribed Part. Please note that these are indicative only and should not be used as the sole or principal basis for any bad debt provision or other purposes. They may be subject to revision and additional costs.

Prescribed part

The 'Prescribed Part' is a statutory amount, calculated as a percentage of net floating charge realisations, which entitles unsecured creditors to a share of realisations. This is calculated on a sliding scale up to maximum of £600,000 before costs.

The amount of the Net Property and Prescribed Part of the assets under Section 176A of the Insolvency Act 1986 are dependent upon the ultimate level of realisation for the Company's stock. We expect the Prescribed Part to be in the range of £Nil to c£140,000.

We do not propose to make an application to court under Section 176A(5) of the Insolvency Act 1986 for an order disapplying the Prescribed Part provisions.

7 Investigations

In the normal course of their duties the Administrators review the circumstances leading up to the Company's insolvency in order to determine if any causes of action exists in additional recoveries for the benefit of creditors.

If there are any matters which creditors wish to bring to our attention then we should be grateful if they would do so.

8 Joint Administrators' receipts and payments

Attached at Appendix C is a summary of our receipts and payments.

VAT basis

Receipts and payments are shown net of VAT, with any amount due to or from HM Revenue and Customs shown separately.

9 Joint Administrators' statement (deemed approval)

The Administrators are not seeking a decision from creditors because in their opinion:

The Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the Prescribed Part (subject to the validity of the Aurelius claim).

Under the relevant legislation the Administrators' Proposals shall be deemed to be approved unless sufficient creditors request that a decision be sought by a qualifying decision procedure within 8 business days of delivery of these Proposals.

The Administrators may require any such creditor to lodge with them a deposit, at an amount to be determined by the Administrators, as security for expenses of seeking a decision.

You may wish to note that R3 have also produced general guidance on the different insolvency processes, which can again be located at their website, www.R3.org.uk.

10 Joint Administrators' proposals

The Administrators' Proposals in relation to the Company are:

The Administrators should arrange to distribute available funds from the realised assets to those creditors entitled to them in such manner as they consider will lead to an early distribution of the available assets in an economic manner.

The Administrators be authorised to make such application to court for directions as they consider appropriate with a view to achieving the purposes of the Administration or their Proposals.

Subject to paragraph 11 below, the Company exits the Administration by way of dissolution or Creditors' Voluntary Liquidation. If any asset is identified (including redress from a mis-sold interest rate hedging product) as a result of which it is anticipated that a distribution will be made to unsecured creditors, which is not a Prescribed Part distribution, then the Company shall exit Administration by Creditors' Voluntary Liquidation.

If the Company exits Administration by moving into Creditors' Voluntary Liquidation, then it is proposed that Steven Philip Ross and Allan David Kelly of RSM Restructuring Advisory LLP, 1 St James' Gate,

Newcastle upon Tyne, NE1 4AD be appointed Joint Liquidators of the Company following the cessation of the Administration and the Joint Liquidators will have the power to act jointly and severally.

11 Proposed exit from Administration

As referred to above it is proposed that the Company shall exit Administration by dissolution or Creditors' Voluntary Liquidation.

Creditors should note that they may nominate a different person as the proposed Liquidator, provided that:

- (a) the nomination is made, through a decision procedure, before the proposals (or any revised proposals) are approved; and
- (b) where the nomination relates to more than one person, or has the effect that the office is to be held by more than one person, a declaration is made as to whether any act required or authorised to be done by the Liquidators is to be done by all or any one or more of the persons for the time being holding the office in question.

12 Discharge from liability

As there is unlikely to be any return to unsecured creditors other than under the Prescribed Part, we will in accordance with legislation, be seeking a resolution from the secured and preferential creditors, as appropriate for discharge from liability in respect of any action of ours as Administrators to take effect immediately following our cessation to act as Administrators.

13 Costs and Joint Administrators' remuneration

Pre-administration costs

Details of the fees charged and expenses incurred by the Joint Administrators prior to appointment are set out in Appendix J, together with details of the amounts paid to discharge these costs (if any), and the balance that remains unpaid (if any).

These costs were incurred in making arrangements for the Company to enter Administration, dealing with all matters concerning the marketing the business with a view to a sale of the Company, negotiating a sale of the stock, liaising with Directors of the Company to ensure that the impact of the insolvency on the value of the business and assets was minimised and dealing with the secured creditors.

To the best of my knowledge no fees were charged, or expenses incurred, by any other Insolvency Practitioner prior to my appointment.

I would advise you that payment of unpaid pre-administration costs as an expense of the Administration is:

- (i) Subject to approval under the relevant legislation, and
- (ii) Not part of the Proposals subject to approval under paragraph 53 of Schedule B1 to the Insolvency Act 1986.

I can confirm that I have unpaid pre-administration costs of £48,218 plus VAT and disbursements of £544.

As there is unlikely to be any return to unsecured creditors other than by the Prescribed Part we will, in accordance with legislation, seek approval for the outstanding pre-appointment costs, fees and disbursements from the secured and preferential creditors, as appropriate.

We shall propose to them that:

- The Administrators shall be authorised to draw their outstanding pre-appointment remuneration and disbursements as set out in Appendix J, in the sum of £48,218 and £544 respectively, such disbursements to include 'category 2' disbursements at the rates prevailing at the time the cost was incurred, current details of which are attached at Appendix F.
- The Administrators shall be authorised to discharge the outstanding pre-appointment expenses as set out in Appendix K, in the sum of £25,478.

Joint Administrators' post appointment remuneration and disbursements

As there is unlikely to be any return to unsecured creditors other than by the Prescribed Part we will, in accordance with legislation, agree our fees and disbursements with the secured and preferential creditors ('the specified creditors'), as appropriate.

We shall propose to the specified creditors that:

- In accordance with the scope and assumptions provided to creditors at Appendix H to these Proposals the Administrators shall be authorised to draw their remuneration at the fixed amount of £200,000 plus VAT and disbursements.

The Administrators are seeking their post-appointment fees (remuneration) on a fixed fee basis. The fixed fee will be requested (rather than any other basis) because the Administrators believe this to be a fair and reasonable fee for the level of work required during the Administration. The Administrators expect the fee to be split into the following categories as follows:

Category	£
Administration and planning	50,000
Investigations	20,000
Realisation of assets (including dealing with reservation of title claims and leasehold properties)	80,000
Creditors	50,000
Total	200,000

The fixed fee has been calculated on the assumptions set out in Appendix H and reflects the work anticipated to be required. Should the scope change or the assumptions prove to be inaccurate the Administrators may request a review of remuneration in accordance with the relevant insolvency legislation.

If the resolution is approved, the Administrators will not be allowed to draw more than the fixed fee of £200,000 plus VAT and disbursements unless they obtain further approval of the specified creditors.

The Administrators are required by statute to carry out much of that work, for example, issuing progress reports to creditors and reporting to the Department of Business, Energy and Industrial Strategy on the conduct of the Company's Directors. Other work will be determined by the particular circumstances of the appointment.

Post appointment expenses and category 1 disbursements

The Administrators consider that post-appointment expenses (including category 1 and category 2 disbursements) of £324,975 are likely to be incurred in the Administration. A breakdown of these estimated expenses and disbursements is attached at Appendix I.

Based on the information currently available, we do not expect expenses to exceed the estimate at Appendix I.

Post appointment category 2 disbursements

Category 2 disbursements include elements of shared or overhead costs. Insolvency guidelines require these to be identified separately and are subject to approval as if they were remuneration. The current rates are attached at Appendix E and details of category 2 disbursements already incurred are attached at Appendix F. No category 2 disbursements have been drawn and none can be drawn until creditor approval has been obtained.

We shall propose to the secured and preferential creditors that:

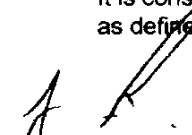
- The Administrators shall be authorised to draw category 2 disbursements as an expense of the Administration at the rates prevailing at the time the cost is incurred, current details of which are attached at Appendix E. In the event that the Administration exits by way of Liquidation and the Administrators are appointed Liquidators, such resolution shall be treated as being passed in the Liquidation.

Guide to Joint Administrators' fees

A Guide to Administrators Fees, which provides information for creditors in relation to the remuneration of an Administrator, can be accessed at <http://rsm.insolvencypoint.com> under 'general information for creditors'. A hard copy can be requested from my office by telephone, email or in writing.

14 EC regulations

It is considered that the EC regulations will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC regulations as the centre of main interest of the Company is in the UK.


Steven Philip Ross
RSM Restructuring Advisory LLP
Joint Administrator

Date:

As the Joint Administrators of the Company, we have considered the application of the EC regulations and have concluded that the centre of main interest of the Company is in the UK. We have therefore concluded that the EC regulations will apply to these proceedings.

The Joint Administrators have considered the application of the EC regulations and have concluded that the centre of main interest of the Company is in the UK. We have therefore concluded that the EC regulations will apply to these proceedings.

Appendix A

Statutory, dividend and other information

Company Information	
Company registered name:	Grainger Games Limited
Date of incorporation:	8 April 2001
Company registered number:	04201151
Previous registered name(s) in the last 12 months:	None
Trading name:	Grainger Games, Trade Nation
Trading address:	The Company traded from 67 different sites across the UK. Head office: Unit 4, North Tyne Industrial Estate, Longbenton, Newcastle, NE12 9SZ
Principal activity:	Retail sale of computers, peripheral units and software in specialised stores
Registered office:	RSM Restructuring Advisory LLP, 1 St James' Gate, Newcastle upon Tyne, NE1 4AD Previously: - Unit 4, North Tyne Industrial Estate, Longbenton, Newcastle, NE12 9SZ
Share capital: Nominal & issued share capital	Authorised & issued share capital of 503 ordinary shares split as follows: - 204 Ordinary A voting shares of 10p each 188 Ordinary B voting shares of 10p each 103 Ordinary C voting shares of 10p each 8 Ordinary D voting shares of 10p each
Shareholders:	All classes of shares held by Grainger Games Holdings Limited
Directors:	Stephen Bowyer, Jonathan Fellows
Secretary:	Stephen Bowyer
Mortgages & charges:	Debenture created on 24 January 2018 and registered on 30 January 2018 in favour of Aurelius Finance Company Limited Rent deposit deed created on 20 April 2004 and registered on 24 April 2004 in favour of Newcroft House Limited Rent deposit deed created on 17 December 2007 and registered on 20 December 2007 in favour of Berona Investments Limited Rent deposit deed created on 11 March 2011 and registered on 24 March 2011 in favour of W (No 3) GP (Nominee A) Limited and W(No 3) GP (Nominee B) Limited
Appointor:	Stephen Bowyer, c/o Unit 4, North Tyne Industrial Estate, Longbenton, Newcastle, NE12 9SZ

Administration information		
Joint Administrators:	Steven Philip Ross and Allan David Kelly	
Date of appointment:	4 April 2018	
Functions of Administrators:	<p>The Joint Administrators' appointment specified that they would have power to act jointly and severally.</p> <p>The Joint Administrators' have exercised, and will continue to exercise, all of their functions jointly and severally as stated in the notice of appointment.</p>	
Correspondence address & contact details of case manager:	<p>Ross Taylor</p> <p>0113 285 5000</p> <p>RSM Restructuring Advisory LLP, Central Square, 5th Floor, 29 Wellington Street, Leeds LS1 4DL</p>	
Name, address & contact details of Joint Administrators:	<p>Primary Office Holder:</p> <p>Steven Philip Ross</p> <p>RSM Restructuring Advisory LLP</p> <p>1 St James' Gate</p> <p>Newcastle upon Tyne NE1 4AD</p> <p>0191 255 7000</p> <p>IP Number: 9503</p>	<p>Joint Office Holder:</p> <p>Allan David Kelly</p> <p>RSM Restructuring Advisory LLP</p> <p>1 St James' Gate</p> <p>Newcastle upon Tyne NE1 4AD</p> <p>0191 255 7000</p> <p>IP Number: 9156</p>

Dividend prospects	Owed	Paid to date	Estimated future prospects
Secured creditor – Aurelius Finance Company Limited	£646,254 plus advisor fees	£Nil	<p>No capital outstanding at the date of appointment.</p> <p>Subject to validity of termination costs, it is anticipated that a substantial dividend will be made to this class of creditor.</p>
Preferential creditors	c£63,000	£Nil	Paid in full
Unsecured creditors	c£3.1m	£Nil	Uncertain – dependent on the quantum and validity of Aurelius termination costs and level of preferential claims received
Estimated net property	Uncertain		
Estimated prescribed part available for unsecured creditors	Uncertain		

Rule 3.30, 4.7, 6.3 of the Insolvency (England and Wales) Rules 2016

Statement of affairs

Company Name: Grainger Games Limited

Company Number: 04201151

In the Newcastle upon Tyne District Registry 281 of 2018

Statement as to affairs of Grainger Games Limited
on 4 April 2018 being the date that the company went into administration

Statement of Truth

I believe that the facts stated in this Statement of Affairs are true.

Full Name Bowyer, Stephen

Signed

Dated

Signature



Date:

14/4/18

Statement of affairs - Grainger Games Limited

A Summary of Assets

	<u>Book Value Estimated to Realise</u>	
	£	£
Assets Subject to Specific Charge	0	
Assets Subject to Fixed Charge		
Goodwill	3,657,324	0
Intellectual property	30,442	0
Assets Subject to Floating Charge		
Stock	2,646,033	1,000,000
Motor vehicles	67,872	7,000
Fixtures and fittings	993,211	0
Cash at bank and in hand	429,910	425,000
Trade receivables / prepayments	253,225	0

Assets not Subject to Charge

Available to preferential creditors	8,078,017	1,432,000
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Statement of affairs - Grainger Games Limited

B Summary of Liabilities


	Estimated to Realise	
	£	£
Estimated total assets available for preferential creditors		1,432,000
Liabilities		
Estimated Surplus (Deficiency) as regards preferential creditors		1,432,000
Estimated total assets available for floating charge holders		1,432,000
Debts secured by floating charge		0
Total assets available to unsecured creditors		1,432,000
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade Creditors	(3,003,718)	
HMRC VAT	(500,541)	
HMRC PAYE	(204,091)	
Other creditors	(36,729)	
Estimated Surplus (Deficiency) as regards non preferential creditors (excluding any shortfall to floating charge holders)		(2,313,079)
Share Capital:		
Ordinary A	(20)	
Ordinary B	(19)	
Ordinary C	(10)	
Ordinary D	(1)	
		(50)
Estimated Surplus (Deficiency) as regards members		(50)

The total number of employees included in the above summary is 0 and the total of their claims is £0.00.

The total number of consumers included in the above summary is 0

and the total of their claims is £0.00.

NOTES: - The Estimated Statement of Affairs, which should be read in conjunction with the attached notes, does not take into account the costs of the Insolvency process.

Signature  Date: 14/4/18.

B1 COMPANY CREDITORS EXCLUDING EMPLOYEES AND CONSUMERS - GRAINGER GAMES LIMITED

NOTE: Includes all creditors (except employees, former employees and consumers who have paid in advance). Creditors under hire-purchase, chattel leasing or conditional sale agreements and creditors claiming retention of title over property in the company's possession are identified under 'Details of any security held'

Name of creditor or claimant	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
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See separate list

B2 COMPANY EMPLOYEE CREDITORS - GRAINGER GAMES LIMITED

(including former employees)

Name of employee	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
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B3 COMPANY CONSUMER CREDITORS - GRAINGER GAMES LIMITED

(customers or clients claiming amounts paid in advance of the supply of goods or services, e.g. deposits)

Name of consumer	Address (with postcode)	Amount of debt £	Details of any security held	Date security given	Value of security £
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C SHAREHOLDERS - GRAINGER GAMES LIMITED

No.	Name of shareholder	Address (with postcode)	Type of shares held	Nominal amount of share £	Number of shares held	Amount per share called up £	Total amount called up £
	Grainger Games Holdings Limited	Unit 4 North Tyne Industrial Estate Longbenton Newcastle upon Tyne NE12 9SZ	Ordinary A	0.10	204	0.10	20.40
	Grainger Games Holdings Limited	Unit 4 North Tyne Industrial Estate Longbenton Newcastle upon Tyne NE12 9SZ	Ordinary B	0.10	188	0.10	18.80
	Grainger Games Holdings Limited	Unit 4 North Tyne Industrial Estate Longbenton Newcastle upon Tyne	Ordinary C	0.10	103	0.10	10.30

NE12 9SZ

Grainger
Games
Holdings
Limited

Unit 4
North Tyne
Industrial
Estate
Longbenton
Newcastle
upon Tyne
NE12 9SZ

Ordinary D

0.10

8


0.10

0.80

Total:

50.30

Signature



Date:

14/4/18.

Creditor Name	Address Line 1	Address Line 2	Post Town	Post Code	Unsecured
HM Revenue & Customs PAYE	ICHU	Warkworth House	Newcastle upon Tyne	NE98 1ZZ	204,091.45
HM Revenue & Customs VAT	ICHU	Warkworth House	Newcastle upon Tyne	NE98 1ZZ	500,541.22
A2B Stationery	Westby House	Peel Hall Business Village	Blackpool	FY4 5JX	648.3
Apex Radio Communications Ltd	102 Tantobie Rd	Newcastle upon Tyne		NE15 7DQ	144
ASPIRE TECHNOLOGY SOLUTIONS	Heworth Hall	Shields Road		NE10 0UX	2,043.6
Aurora Digital Print	Unit 18A/B Airport Industrial Est	Kingston Park		NE3 2EF	1,952.4
Bell Trucks Sales Ltd	Belhway Industrial Estate	Whitley Road	Newcastle upon Tyne	NE12 9SW	7,765.39
Bioworld Europe	Bioworld Europe I Molenwerf 24	1911 DB Uitgeest			2,037.45
BIST Group	4 Fairfax House	Cottingly Business Park		BD16 1PY	9,960.32
Brand New Future	The Old Pub	East Quayside		NE6 1LR	-910
Briggs Equipment UK	Briggs Equipment UK Ltd Orbital	Cannock Staffordshire		WS11 8XW	52.7
BWT UK Limited	Unit 2	The Gateway Centre	Buckinghamshire	HP12 3SU	456.67
CBL Distribution	CBL Suite	Cambrai Court	Birmingham	B28 9AA	583.52
CENTRESOFT (ESD)	6 Pavilion Drive	Holford		B6 7BB	177,960.07
CheckMEND	Reciperio Limited	One Park Lane	West Yorkshire	LS3 1EP	8,640
Cheshire East Borough Council	c/o Municipal Buildings	Earle Street		CW1 2BJ	1,287
Chesterfield Borough Council	Town Hall	Rose Hill		S40 1LP	2,030.52
Completely Independant Distribution Limitec	1 Brook St	Whetstone		LE8 6LA	2,774.99
Click Distribution (UK) Ltd	2 Monarch Courtyard	Salthouse Rd	Northampton	NN4 7BD	9,665.38
COMMERCIAL MAINTENANCE SERVICES	3 Temple St	Gateshead		NE10 0HN	3,381
COMM SENSE LTD	111 Broker Rd	Waltham Abbey		EN9 1JH	9
CPC	Component House	Fulwood		PR2 9PP	72.21
Centresoft	6 Pavilion Drive	Holford		B6 7BB	572,757.21
Custom Controllers UK Limited	13 Millshaw Park Ave	Leeds		LS11 0LR	-2,846
DHL INTERNATIONAL LTD	PO Box 524	Hounslow Middlesex		TW3 9LP	30.62
Diamond Comic Distributors UK	Runcorn Distribution Centre	Canalside	Runcorn	WA7 1SN	4,938.14
Curveball Leisure	Unit C Redbrick Court	Ferryboat Close		SA6 8QN	54,082.5
DNW SECURITY SYSTEMS	17 Keir Hardie Avenue	Wardley	Tyne & Wear	NE10 8EJ	840
Dual Energy	Premium House	Worthing		BN11 2BJ	-697.97
Durham County Council	County Hall	Durham		DH1 5UL	197
DWF LLP	Great North House	Sandyford Rd		NE1 8ND	17,191.92
EDS (Newcastle) Ltd trading as E D S	54 Silver Lonnen	Newcastle upon Tyne		NE5 2HD	3,246.15
EPay Limited	Kingfisher House	2 Woodbrook Crescent	Essex	CM12 0EQ	-55.31
ESDEVIM GAMES	Unit 6	Waterbrook Road	Hampshire	GU34 2UD	86,991.24
Euro Car Parts LTD	Unit 8	Belhway Industrial Estate	Newcastle upon Tyne	NE12 9SW	191.43
Eurocell Building Plastics Ltd	4C	North Tyne Industrial Estate	Newcastle upon Tyne	NE12 9FZ	608.39
Expert Fire Solutions	Unit 8a	Rennys Lane	Durham	DH1 2RS	628.8
FOCUS MULTIMEDIA	The Studios	Lee Hall Enterprise Park	Rugeley	WS15 1LH	493.02
Fornikraft	Clough Bank House	Edmund Road		S2 4EL	1,404
Funko	Unit 9 & 10	The Causeway	Essex	CM9 4XD	278,386.65
Funstock Limited	St Christophers House	Ridge Road	Herts	SG6 1PT	1,050
G4S Cash Services Ltd	Sutton Park House	15 Carshalton Road	Surrey	SM1 4LD	12,053.35
Gaming Merchandise UK Limited	Unit 8A	Space	Hoo Farm Industrial Estate	DY11 7SL	2,394.07
Gateshead Council	Civic Centre	Regent Street		NE8 1HH	1,824.16
GB Eye Ltd	1 Russel Street	Kelkham Island		S3 8RW	6,068.46
Exertis UK	Technology House	Magnesium Way	Lancashire	BB12 7BF	75,303.96
Half Moon Bay LTD	5-7 Pulteney Mews	Bath		BA2 4DS	15,252.95
HALTON BOROUGH COUNCIL	Business Rates Section	PO Box 223		WA8 2DA	1,213
Hasbro European Trading	Caswell Way	Reevesland Ind Est	Newport	NP9 0YH	4,317.5
HOMEDICS GROUP	FKA Brands	Somerhill Business Park	Kent	TN11 0GP	4,184.25
Ideal	3 Stockton End	Sunderland Road	Bedfordshire	SG19 1SB	652.8
Incomm Europe Ltd	1600 Parkway	Solent Business Park	Hants	PO15 7AH	468,129.13
Inspired Advertising Ltd	The Victoria Building	Heaton Park View		NE6 5BF	-6,648
INTERLINK EXPRESS	15th Floor	Castlemead	Bristol	BS1 3AG	20,222.76
KC	37 Carr Lane	Hull		HU1 3RE	-2,612.74
Kirklees Council	Depot	Mayman Lane	Batley	WF17 5RA	1,537
Kite Packaging Limited	186 Torrington Ave	Coventry		CV4 9AJ	980.75
Knowsley Council	4 E Prescot Rd	Liverpool		L14 1PW	1,000
Koch	2nd Floor	Building 1230 Waterside	Reading	RG7 4SA	51,610
Lawsons Timber & Builders Merchand Ltd	Buildings Supplies Yard	Lynnwood Toe/ Mill Lane	Newcastle upon Tyne	NE4 6UL	72.86
Leeds City Council	180 Chapeltown Rd	Leeds		LS7 4HP	1,231.25
Link Distribution (UK) Ltd	Unit 23-25 Dudley Hill Business	Knowles Lane		BD4 9SW	35,617.92
Little Hampton Book Services Ltd	Faraday Close	Durrington	West Sussex	BN13 3RB	741.14
Turtle Beach Ltd	First Floor North	Matrix House	Hampshire	PRG21 4DZ	111,963.53
M.R.S Communications Ltd	Viaduct Rd	Gwaelod-y-garth		CF15 9JN	156
Manchester Council	Wenlock Way Offices	Wenlock Way		M12 5DH	213.25
Middlesbrough Council	Middlesbrough Council	PO Box 500		TS1 9FT	1,435
Newcastle Forklift CO	Unit 29	Grasmere way	Northumberland	NE24 4RR	600
Northumberland County Council	County Hall	A197		NE61 2EF	2,460
NORTHUMBRIA RECYCLING LTD	Former West Sleekburn Middle S	West Sleekburn	Northumberland	NE22 7BX	78
Nottingham City Council	Loxley House	Station Street Nottingham		NG2 3NG	530.83
N Power	Windmill Hill Business Park	Whitehill Way Swindon		SN5 6PB	7,735.03
Office Team LTD	Unit 4	500 Purley Way	Surrey	CR0 4NZ	12,742.83
On Electrical Contractors	41 Bank Street	Hyde		SK14 2AU	288
Our Perspective Limited	Southlands	Wyburnbury Lane	Cheshire	CW5 7HH	4,748.58
Paladone Products Ltd	Apex House	Dolpin Way		BN43 6NZ	45,957.56
PAVILION DISTRIBUTION	Unit 1 Bloomfield Park	Bloomfield Rd		DY4 9AH	37,037.45
PC World Business	2 Nunnery Square	The Parkway		S2 5DD	1,923.98
Peak Development Limited	2 Flanders Industrial Park	Flanders Road	Southampton		2,562.38
PQUBE LTD	Venture House	Fifth Avenue	Herts	SG6 2HW	8,563.8
PriceSpy Ltd	Sweden House	5 Upper Montagu Street		W1H 2AG	1,116.91

Source

/ S. Bowyer


14/4/18

The Pricing People	Unit 8	Killingbeck Drive	Leeds	LS14 8UF	418.1
Pro Print Solutions Limited	A1 Challenge Court	Blakewater Road		BB1 5EU	243.84
Pyramid International	A	Bruce Way		LE8 6HP	801.6
ROLLER SHUTTER SERVICES	89b Catherine Street East	Horwich		BL6 7FN	576
ROYAL MAIL GROUP LTD	100 Victoria Embankment	London		EC4Y 0HQ	6,747.13
RUBBER ROAD LTD	Orion House	Bessemer Road	Herts	AL7 1HH	24,711.19
RSM	1 St James Gate	Newcastle Upon Tyne		NE1 4AD	87,123.84
Scottish Gas Business	Millstream	Maidenhead Road	Berkshire	SL4 5GD	2,552.59
Southern Electric	Inveralmond House	200 Dunkeld Road		PH1 3AQ	586.13
SS Testing Limited	Ground Floor	Unity House Sutton Fields	Hull	HU7 0XD	177.24
Star-Images	35d Newington Green	London		N16 9PR	8,141.82
Stockport Metropolitan Borough Council	Stockport Metropolitan Borough	Town Hall		SK1 3XE	-832.82
Stockton Borough Council	Revenues & Business Service	PO Box 410		TS23 2YD	793.2
supreme Imports Ltd	4 Beacon Rd	Stretford		M17 1AF	1,460.16
Tait Walker Chartered Accountants	Bulman House	Regent Centre	Newcastle upon Tyne	NE3 3LS	-502.4
Tameside Metropolitan Borough Council	POP Box 304	Ashton-under-Lyne		OL6 0GA	2,836.61
Total Disc Repair Ltd	Unit 1	Christchurch Business Park	Dorset	BD23 4FL	1,999.42
Thirty Three Management	33 Bellingham Drive	North Tyne Industrial Estate	United Kingdom	NE12 9SZ	120
Thumbs Up (UK) Ltd	Santok House	Unit L Braintree Ind Est	Middlesex	HA4 0EJ	35,367.37
TMT First Ltd	Holditch House	Holditch Road	Staffordshire	ST5 9JQ	3,000
TNT EXPRESS	P.O. Box 4	Ramsbottom	Lancashire	BL8 9AR	418.37
TOMY Europe	Hembury House	Pynes Hill	Exeter	EX2 5AZ	7,095.46
TRADE UK	Selectapost 28	Sheffield		S97 3GE	251.99
Trafford Council	Trafford Council	PO Box 542		M33 0GD	3,770
Travis Perkins Trading Co Ltd	PO Box 5227	Northampton		NN5 7ZE	1,136.68
UBISOFT	3rd Floor	Ranger House	Surrey	GU1 4UL	19,665.06
UKFast Campus	UKFast Campus	Birley Fields		M15 5QJ	2,209.71
United Software Distribution LTD	14 Doring Way	Brampton		PE28 4FF	63.62
United Utilities Water PLC	Haweswater House	Lingley Mere Business Park	Warrington	WA5 3LP	2,799.58
Utility Wise Corporate Division	3 & 4	Utilitywise House	North Tyneside	NE28 9EJ	3,238.56
Venom	Solution House	Sandon Road	Hertfordshire	SG8 9RE	19,236.42
Veolia	Veolia House	8th Floor 210	London	N1 9JY	7,681.8
Viking Direct	501 Beaumont Leys Lane	Leicester		LE4 2BN	292.97
VIP COMPUTER CENTRE LTD	VIP House	4 Hardwick Grange	Cheshire	WA1 4RF	7,559.5
VORTEX ENTERPRISES LTD	UNIT F1 Colchester Business &	Wyncollis Road		CO4 9HT	6,010.8
Wakefield Council	Wakefield One	PO Box 700	Wakefield	WF1 2EB	2,555
Warrington Borough Council	Benefits & Exchequer Services	New Town House	Warrington	WA1 2NH	1,842
X Bite Ltd	Unit 1	Maison Court	Chesterfield	S43 4GD	2,157.66
Yorkshire Water	Western House	Western Way		BD6 2LZ	4,632.84
Savills					11,239.98
Eagle Road Services Ltd	16 Union Street	Blyth			3,324
Intu	The MetroCentre Partnership	40 Broadway		SW1H 0BU	3,749.26
Bradley Hall	1 Hood Street	Newcastle Upon Tyne			16,196.47
Ridley Properties	27 Ridley Place	Newcastle upon Tyne		NE1 8JN	750.77
SNK Properties	Jackdaws	Kennal Road	Kent	BR7 6LT	8,500
Jones Lang LaSalle	C/O JLL	PO BOX 62442		E14 1HA	14,556.2
Laverton Securities Ltd	Bank Chambers	rear of 25 Crossgate Otley		LS21 1BE	5,100
Knight Frank	Frank Knight LLP	St Ann's Quay	Newcastle upon Tyne	NE1 3BD	2,908.8
Knight Frank	Frank Knight LLP	St Ann's Quay	Newcastle upon Tyne	NE1 3BD	965.75
CBRE - Prupim Ltd	Pacific House	1st Floor	Glasgow	G2 6UA	13,956.3
JLL	C/O JLL, PO BOX 62442	London		E14 1HA	5,734.95
Sanderson Weatherall	22-24 Grey Street	Newcastle upon Tyne		NE1 6AD	5,700
St Modwen	Park Point	17 High Street	Birmingham	B31 2UQ	6,617.01
Hull Trinity House	Trinity House Lane	Hull		HU1 2JG	340.8
Praxis Real Estate Management Ltd	1st Floor	The Chambers	Manchester	M2 7LQ	8,100
Workman	4th Floor	Minton Place	Swindon	SN1 1DA	7,230.75
Workman	Alliance House	12 Caxton Street		SW1H 0QS	9,069.74
Lambert Smith Hampton	Clarence House	Property Management Accounts	Belfast	BT1 4NJ	17,307.03
GVFM Property Management	Dransfield House	2 Fox Valley Way	Fox Valley	Sheffield	6,370.2
Praxis Real Estate Management Ltd	1st Floor	The Chambers	Manchester	M2 7LQ	9,750
Workman	PO Box 3550	Swindon		SN3 9AP	3,713.58
Savills	13-14 Esplanade	St Helier		JE1 1BD	11,239.98
BMO Real Estate Partners	Park Lodge	London Road	Surrey	RH4 1QP	9,144.36
Savills	Belvedere	12 Booth Street		M2 4AW	14,507.78
GVA Grimley Ltd	PO Box 8790	Birmingham		B1 2JJ	113
CBRE	Asset Services	Pacific House	Glasgow	G2 6UA	19,031.22
Jones Lang LaSalle	PO Box 62442	London		E14 1HA	14,283.72
Lee Baron	7 Swallow Place	London		W1B 2AG	10,736.64
Workman	Rivergate House	70 Redcliff Street		BS1 6AL	6,741.11
Estima - Castleford Investments Ltd	4th Floor	Adam House	London	W1T 5HE	539.42
Broadgate Estates	2 Kingdom Street	Paddington Central		W2 6BD	32,694.6
First Investments Management Ltd	Canal Mill	Botany Brow	Lancashire	PR6 9AF	16,373.02
Ashdown Philips	Pippington Manor	Nutley		TN22 3HW	9,807.67
Savills	Belvedere	12 Booth Street		M2 4AW	16,168.5
Eric Wright Group	Sceptre House	Sceptre Way		PR5 6AW	10,330.61
Estima - Stretford LP Receiver	4th Floor Adam House	1 Fitzroy Square		W1T 5HE	19,031.22
Jones Lang LaSalle	PO Box 62442	London		E14 1HA	9,580.53
Fun Fairs Transport Unlimited	Harbour Rock Shop	22/23 Prince Street	East Yorks	YO15 2NP	7,500
Mason Owen	Gladstone House	11 Union Court		L2 4UQ	9,630
Praxis Real Estate Management Ltd	1st Floor	The Chambers	Manchester	M2 7LQ	7,511.61
David Samuel Management Ltd	5th Floor	Maybrook House	Manchester	M3 2EG	8,725.48
Munroe K	14 Floral Street	London		WC2E 9DH	12,859.22
Ashdown Philips	Pippington Manor	Nutley		TN22 3HW	9,870.9
Lambert Smith Hampton	Clarence House	Property Management Accounts	Belfast	BT1 4NJ	8,867.77

S. Bowyer

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Intu	Victoria Centre Partnership	40 Broadway	SW1H 0BU	11,658.14
✓ Savills	Belvedere	12 Booth Street	M2 4AW	-340.8
Intu	Wilmslow (No.3) Limited Partner:	40 Broadway	SW1H 0BU	17,033.1
Savills	PO box 3550	Swindon	SN3 9AP	17,077.61
Lambert Smith Hampton	Clarence House	Property Management Accounts	BT1 4NJ	7,188.22
Frazer Kidd & Partners	Telfair House	87-89 Victoria Street	BT1 4PB	9,629.7
FHP	Fisher Hargreaves Procter	10 Oxford St	NG1 5BG	5,400
GVA Grimley Ltd	GVA PO Box 8790	Birmingham	B1 2JJ	73.8
Colliers	The Grange	Bishops Cleeve	GL52 8XX	11,310.46
Jones Lang LaSalle	Property Accounts Dept	AMAS Ltd	E14 5WQ	3,302.99
Jones Lang LaSalle	Mars Pension Trustees Ltd	C/O JLL	E14 1HA	14,294
Initial Developments Ltd	Killerby House	Durham Chare	DL14 7HS	13,500
Land Securities	100 Victoria Street	London	SW1E 5JL	13,099.43
				3,708,540.32


 14/4/18.
 S. Bowyer.

Appendix C

Summary of receipts and payments

Receipts and Payments Abstract: Grainger Games Limited In Administration For the period 4 April 2018 to 2 May 2018

SOA Value £		£	£
	FINANCE AND HIRE PURCHASE AGREEMENTS		
-	Leased assets	21,000.00	
-	Payout on Lease or Finance	(20,067.75)	
			932.25
	ASSET REALISATIONS		
425,000.00	Cash at Bank on Appointment	295,390.41	
Included above	Cash on Hand	90,928.00	
7,000.00	Motor vehicles	7,000.00	
			393,318.41
	COST OF REALISATIONS		
	NIC	(20,790.33)	
	PAYE	(37,610.10)	
	Pension Advisors' Fees	(250.00)	
	Pension Contributions	(1,759.29)	
	Retention of Title Settlement	(2,500.00)	
	Sundry Costs	(1,109.08)	
	Wages & Salaries	(94,896.01)	
			(158,914.81)
			<u>235,335.85</u>
	REPRESENTED BY		
	Allied Irish Current Account	240,664.04	
	VAT Receivable (Payable)	(5,328.19)	
			235,335.85
			<u>235,335.85</u>

Appendix D

Rule 14.4 Insolvency (England and Wales) Rules 2016 - Proof of Debt

In the In the High Court of Justice, Business and Property Courts in Leeds No 281 of 2018 Grainger Games Limited In Administration, Company No: 04201151 Steven Philip Ross and Allan David Kelly appointed as Administrators to the above company on 4 April 2018	
Relevant date for creditors' claims: 4 April 2018	
1	Name of creditor If a company please also give company registration number
2	Address of creditor for correspondence.
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the relevant date. Less any payments made after that date in relation to the claim, any deduction in respect of discounts and any adjustment by way of mutual dealings and set off in accordance with relevant legislation
4	Details of any documents by reference to which the debt can be substantiated. <i>There is no need to attach them now unless the Joint Administrator has requested it</i>
5	If amount in 3 above includes outstanding uncapitalised interest please state amount.
6	Particulars of how and when debt incurred If you need more space append a continuation sheet to this form
7	Particulars of any security held, the value of the security, and the date it was given.
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.
Signature of creditor or person authorised to act on his behalf	
Name in BLOCK LETTERS	
Date	
Position with or in relation to creditor	
Address of person signing (if different from 2 above)	

Notes: This form can be authenticated for submission by email, to restructuring.newcastle@rsmuk.com, by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

Appendix E

RSM RESTRUCTURING ADVISORY LLP

Charging, expenses and disbursements policy statement

Charging policy

- Partners, directors, managers, administrators, cashiers, secretarial and support staff are allocated an hourly charge out rate which is reviewed from time to time.
- Work undertaken by cashiers, secretarial and support staff will be or has been charged for separately and such work will not or has not also been charged for as part of the hourly rates charged by partners, directors, managers and administrators.
- Time spent by partners and all staff in relation to the insolvency estate is charged to the estate.
- Time is recorded in 6-minute units at the rates prevailing at the time the work is done.
- The current charge rates for RSM Restructuring Advisory LLP Newcastle are attached.
- Time billed is subject to Value Added Tax at the applicable rate, where appropriate.
- It is the office holder's policy to ensure that work undertaken is carried out by the appropriate grade of staff required for each task, having regard to its complexity and the skill and experience actually required to perform it.
- RSM Restructuring Advisory LLP's charge out rates are reviewed periodically.

Expenses and disbursements policy

- Only expenses and disbursements properly incurred in relation to an insolvency estate are re-charged to the insolvency estate.
- Expenses and disbursements which comprise external supplies of incidental services specifically identifiable to the insolvency estate require disclosure to the relevant approving party, but do not require approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 1' disbursements.
- Expenses and disbursements which are not capable of precise identification and calculation (for example any which include an element of shared or allocated costs) or payments to outside parties that the firm or any associate has an interest, require the approval of the relevant approving party prior to being drawn from the insolvency estate. These are known as 'category 2' disbursements.
- A decision regarding the approval of category 2 disbursements at the rates prevailing at the time the cost is incurred to RSM Restructuring Advisory LLP Newcastle will be sought from the relevant approving party in accordance with the legislative requirements.
- General office overheads are not re-charged to the insolvency estate as a disbursement.
- Any payments to outside parties in which the office holder or his firm or any associate has an interest will only be made with the approval of the relevant approving party.
- Expenses and disbursements re-charged to or incurred directly by an insolvency estate are subject to VAT at the applicable rate, where appropriate.

Appendix F

RSM Restructuring Advisory LLP

Joint Administrators' current charge out and disbursement rates

Hourly charge out rates	Rates at commencement £	Current rates £
Partner	500	500
Directors / Associate Directors	275 – 330	275 – 330
Manager	215 – 315	215 – 315
Assistant Managers	225 - 230	225 - 230
Administrators	145 – 220	145 – 220
Support staff	78 – 127	78 – 127

Category 2 disbursement rates	
Internal room hire	£165
Subsistence	£25 per night
Travel (car)	42.5p per mile
'Tracker' searches	£10 per case

Appendix G

Category 2 disbursement table

Amounts paid or payable to the Office Holder's firm or to any party in which the office holder or his firm or any associate has an interest

Recipient, type and purpose	Incurred to date	£	
		Paid to date	Unpaid to date
Mileage – own car	241	-	241
Subsistence (overnight allowance)	75	-	75
Total	316	-	316

Appendix H

Joint Administrators' fee scope and assumptions

Activity	Scope and assumptions for work proposed to be done other than on a time costs basis
Administration and planning	<p>Work that must be carried out in order to comply with statutory requirements imposed by the insolvency legislation.</p> <p>This includes filing and advertising of appointment documents, filing of Statement of Affairs, handling of receipts and payments, submission of VAT and income tax issues, pension queries, undertaking file reviews, case planning and strategy, dealing with redirected mail, convening any non-statutory requisitioned meetings and decisions, liaising with the Company's directors, case closure formalities.</p> <p>The fixed fee assumes that there are no pension schemes, that the Company's records are up to date, that no creditors' committee is appointed, and that the case can be concluded in one year.</p>
Realisation of assets	<p>All aspects of the realisation of assets including identifying, securing and insuring assets such as book debts, property, chattels, stock and WIP with no contentious matters. Other matters include dealing with landlords and arranging collection of leased assets.</p> <p>The fixed fee assumes there will be no legal action required to realise the assets; the Office Holder receives full co-operation of directors and that no contentious matters will arise;</p> <p>The fixed fee also assumes that there are no environmental and/or health and safety issues.</p>
Creditors	<p>Includes dealing with creditor queries, agreement of claims, distributions to creditors, and preparation of statutory formal reports to creditors.</p> <p>The fixed fee assumes claims will be agreed without any dispute, litigation or contentious matters arising and that the Company's records are complete and up to date.</p>
Investigations	<p>Collection and review of the Company's records in order to identify any potential or actual asset recoveries, antecedent transactions, transactions at under value or voidable dispositions.</p> <p>Reporting to the Department of Business Energy and Industrial Strategy on the conduct of the directors.</p> <p>The fixed fee assumes that the Office Holders' investigations uncover no material antecedent transactions which require legal advice or recovery action being undertaken.</p>
Trading	No trading is expected.

Appendix I

Estimate of all expenses likely to be incurred by the Administrators in the Administration

	£		
	Incurred to date	Expected future	Expected total
Joint Administrators' disbursements			
Bond	-	85	85
Statutory advertising	85	85	170
Website fee	-	8	8
Hotel	403	-	403
Subsistence and overnight allowance	142	-	142
Mileage – own car	241	500	741
Postage	379	100	479
Mail redirection	204	200	404
Travel	77	-	77
Storage agent (collection/storage of records)	-	3,000	3,000
Sub total	1,531	3,978	5,509
Agents' fees	-	40,000	40,000
Legal fees and disbursements	-	60,000	60,000
Payroll services	-	5,000	5,000
Employee services	-	10,000	10,000
Insurance	-	15,000	15,000
Pension services	-	1,000	1,000
Rent and rates	-	25,180	25,180
Utilities and other ongoing costs	1,109	8,891	10,000
Wages and Salaries including PAYE / NIC and pensions	94,896	58,400	153,296
Sub total	96,005	223,471	319,476
Total	97,536	227,449	324,985

Appendix K

Analysis of pre-administration costs

Pre-administration costs incurred		£	
	Incurred	Paid	Unpaid
Administrators' fees	48,219	Nil	48,219
Administrators' expenses			
- Administrators' disbursements	544	Nil	544
- Legal fees - DWF	5,934	Nil	5,934
- Legal fees – Squire P Boggs	<u>19,000</u>	<u>Nil</u>	<u>19,000</u>
	25,478	Nil	25,478
Fees charged (by another Insolvency Practitioner)	Nil	n/a	n/a
Expenses incurred (by another Insolvency Practitioner)	Nil	n/a	n/a
Total	73,697	Nil	73,697

Note: - No pre-administration costs have been paid to date.

Appendix L

SIP 16 STATEMENT

Rationale for a Pre-Pack Sale

On 4 April 2018, immediately following their appointment, the Administrators completed a sale of the Company's stock to Entertainment Magpie Limited ('Magpie').

In accordance with Paragraph 2 to Schedule B1 of the Insolvency Act 1986 (as amended), the Administrators intend to pursue the statutory objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).

It is the view of the Administrators that the transaction enables the statutory purpose to be achieved and that the sale price achieved as the best reasonably obtainable in all the circumstances and should keep costs of the Administration to a minimum and provide the best possible return to creditors.

Disclosures

Initial introduction

Allan Kelly of RSM was initially introduced to the Company by the Company's solicitors, DWF in April 2017 due to a deterioration in its relationship with its then funder Lloyds Bank ('Lloyds'). Lloyds had suggested it would not increase facilities for peak seasonal quarter four trading. RSM assisted the Company in obtaining new finance facilities through Aurelius Finance Company Limited ('Aurelius'). Further details of this are provided in pre-appointment considerations below.

On 5 March 2018 the Directors arranged a meeting with Allan Kelly of RSM as a result of them being notified on 2 March 2018 that a major supplier's credit insurer had informed the Directors that the Company's credit limit was under review. The major supplier indicated on 5 March 2018 that the credit limit would be removed. The impact of this was unmanageable within the confines of the Company's cash flow and coming into a slower seasonal trade during the summer months.

On 7 March 2018 the Company received formal notification that the credit limit had been removed. After an unsuccessful attempt at raising additional equity capital the Directors instructed RSM on 14 March 2018 to undertake an accelerated sale process of the business (in whole or part) and to assist the Directors in placing the Company into Administration.

Pre-appointment considerations

As referred to above RSM assisted the Company in obtaining new finance facilities. RSM commenced work during June 2017 to find short-term finance for the Christmas 2017 period with a view to moving to a longer-term debt raise (subject to Lloyds withdrawing). Ultimately the short-term finance was not required as the Company was able to work through on its existing facilities.

During August and September 2017 Lloyds confirmed that they would not renew existing facilities beyond 31 December 2017 and the Company should seek an alternative lender. RSM assisted the Company in making approaches to a number of lenders (high street and alternative). A facility offer was received from Aurelius which was accepted by the Directors and completed in January 2018. RSM did not have any involvement in the financial forecasts or in negotiating legal agreements / covenants, this was undertaken by Management and DWF.

Alternative options were considered, both prior to and within formal insolvency. These are set out below:

Trading outside of insolvency - trading was heading towards the seasonal low (6 months to September) and losses are incurred over this period causing a higher cash requirement. Management did not consider that the Company could operate within the confines of reduced credit facilities notwithstanding this. Furthermore, management did not have the appetite to continue the business within this restriction given the substantial amount of management time required to manage cash, and considered it was unlikely the Company would be in a position to recovery for the Christmas period.

Equity - discussions were informally held by management with equity funders regarding an equity injection and/or sale for nominal amount. Management provided both parties with further information, however both advised that without credit limits being retained (and longer term commitment provided), they could not pursue given the risks associated with any investment and level of capital required.

CVA - RSM discussed a CVA with management including a potential restructure. Management advised they had considered cost reduction strategy as part of ongoing trading but these would leave the Company with limited resource to operate and prone to risk. Whilst they considered a number of stores could have been removed, working capital was still a fundamental concern and without credit limits the Company would still have a significant operating challenge. Management did not have the appetite to continue the business within this restriction given the substantial amount of management time required to manage cash, and that the business was unlikely to have longer term viability.

Discussions were opened with Aurelius on 8 March 2018 whilst management were exploring equity options. Management continued to explore the ability to secure credit limits during week commencing 12 March and review business plans. Notification was received from the Company's major supplier that they had secured a 3 month extension on reduced credit limits. However, management considered that the lack of certainty was not a risk that the Company should face by trading on during a loss-making period.

Trading on in Administration was reviewed against a sale. The estimated net outcome against a stock sale was not materially beneficial.

Marketing of the business and assets

Authority was given from management on 14 March 2018 to commence an accelerated process. RSM undertook direct sector research, used the RSM interested party database and recommendations from management. All parties identified (including sector competitors, investors and asset purchasers) were approached with a teaser document.

The Company is the second largest gaming retailer in the UK (after Game). There was a significant risk to the stock and cash in stores if a full media campaign was undertaken with the ability to readily identify the Company from limited disclosed details. The Directors had made a statement to employees and press that credit limits had been withdrawn and the Directors were considering the options available to them which was widely publicised in sector press.

It quickly became clear that there were no interested parties in taking all the business and assets of the Company. The sale process therefore moved towards trying to achieve a sale of the Company's main asset, its stock.

Valuation of the business and assets

European Valuation Limited ('EV') provided valuation advice for the sale transaction. They are members of RICS and MRICS and specialist retail valuers and have previously undertaken work in the same sector the Company's operates in. EV confirmed their independence and that they held adequate professional indemnity insurance. EV previously undertook valuations and a detailed assessment of the stock as part of the refinance during November 2017.

EV reviewed all offers received for the Company's business and assets (in whole or part) against an Administration trading plan and Liquidation. EV confirmed that the offer from Magpie was the most appropriate to pursue and provided a better return to the Company's creditors than that of a trading Administration or Liquidation.

The transaction

The sale of the Company's stock to Magpie was completed on 4 April 2018. The sale was of the stock only and no other assets were purchased. Magpie have not taken on any of the Company's employees or property leases. There is no connection between Magpie and the Company.

The Company's stock consisted of new gaming stock, pre-owned gaming stock, pre-owned electricals and collectables. The sale price was £1.375m but this may reduce as a result of reservation of title claims. £1m

is due to be paid by 10 April 2018 with a tie-up to occur once reservation of title claims are resolved and a stock take undertaken by Magpie.

The transaction allows a higher recovery to be achieved by:

- The stock was located across 67 stores.
- Employees will be retained to assist with the repacking of stock of making each shop available for collection. This cost will be materially lower than agents attending each stores to undertake the same tasks in a Liquidation.
- New gaming titles lose value with age and delays in a Liquidation appointment may have impacted this value.
- The notice period associated with a Liquidation and associated delay in gaining control puts the stock (and cash at stores) at a significantly higher risk of theft.
- Rent for the next quarter became due on 25 March 2018. The Administration prevents landlords distraining which was a material risk during the lead-up period to a Liquidation.