Rule 2 47

Form 2 24B(CH)

The Insolvency Act 1986

Administrator's progress report

Name of Company	Company Number
The GAME Group Plc	00875835

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	2552 of 2012

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

We Michael John Andrew Jervis of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT and Stuart David Maddison of PricewaterhouseCoopers LLP, One Reading Central, 23 Forbury Road, Reading, Berkshire RG1 3JH

administrator(s) of the above company attach a progress report for the period

from (b) 16 February 2014 to (b) 7 March 2014

(b) Insert dates

Signed [signature]
Joint Administrator

Dated 20/3/14

Contact Details:

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

James Bolt PricewaterhouseCoopers LLP 7 More London Riverside, London, SE1 2RT	
	Tel
DX Number	DX Exchange

SATURDAY

Q346EKCQ
QIQ 22/03/2014 #34
COMPANIES HOUSE

'n you have completed and signed this form please send it to the Registrar of Companies at

ipanies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

Originator	Manager	Group Mgr	Partner	Other Copies	File Location
					C \Users\841273\AppData\Local\Temp\notesF3B52A\2014 0 3 17 2 24B(CH) Ext Game Group Plc.doc

pwc

The GAME Group plc and Game Stores Group Limited – both in Administration

High Court of Justice, Chancery Division, Companies Court

Case Nos. 2552 and 2553 of 2012

Joint Administrators' combined progress report for the six months to 15 February 2014 and for the period 16 February 2014 to 7 March 2014 in support of an application to extend the Administrations pursuant to Paragraph 76(2)(a) of Schedule B1 to the Insolvency Act 1986

10 March 2014

Contents

1. Joint Administrators' progress report

Introduction

The term of office of the Joint Administrators (the "Administrators") of The GAME Group plc ("Plc") and Game Stores Group Limited ("Stores Group") (together "the Companies") are due to come to an automatic end on 25 March 2014 and 25 September 2014 respectively. In light of recent developments, as detailed below, an application is being made to court to extend the Administrations to enable outstanding matters to be progressed.

In accordance with Rules 2 47 and 2.112 of the Insolvency Rules 1986 ("IR86"), the Administrators write to provide details of the progress of the Administration of the Companies in the six months to 15 February 2014 and for the period 16 February to 7 March 2014 in support of the court application.

The Administrators are required to provide certain statutory information pursuant to Rule 2.47(1)(a) to (d) IR86, which is included in Section 2.

Overview

When the Administrators were appointed on 26 March 2012, the Companies were part of the wider GAME Group of companies (the "Group"), which operated as the leading video games and related product retailer in Europe. Funding to the Group was provided by the parent company, Plc.

Stores Group was one of the three main trading companies. It provided all centralised management and administrative functions to its associated companies together with supply, distribution and technical services. Stores Group also held the leases to the GAME branded stores. Plc held investments in the UK and a number of overseas entities.

On 30 March 2012 the UK business and assets of the Group companies in Administration were sold on a going concern basis to Game Retail Limited (the "Purchaser"). Of the sale consideration, £6 6 million was attributed to the business and assets of Plc and £62.9 million to Stores Group.

Progress of the Administration

In the periods under review the Administrators' activities focused on the following work-streams, which are discussed in turn

- Landlords' legal challenge,
- Other property matters,
- Post-sale of business matters;
- Trust accounts;
- Other assets,
- Creditors, and
- Discharging statutory obligations

Landlords' legal challenge

As detailed in previous reports, in summer 2012 the Administrators of Stores Group and other tenant Group companies received notice that a number of landlords intended to challenge present law and contend that rent referable to the period in which an administrator is in beneficial occupation of leasehold premises is payable as an expense.

Given the potential impact on the outcome for the respective creditors of the Group Administrations affected by the challenge, the Administrators decided to proceed with an application to court for directions.

On 1 July 2013, the court decided that it was bound by present law Therefore, rent payable in advance and falling due before an administrator's appointment ranks as an unsecured liability only.

The landlords were given leave to appeal and this was heard on 12 and 13 February 2014.

At the appeal hearing, the court overruled the earlier decision and held that rent is payable as an expense of an administration for any period

1. Joint Administrators' progress report

during which an administrator retains possession of leasehold property for the benefit of the administration. The rent will be treated as accruing from day to day, regardless of the usual payment days under the terms of the lease.

It is not yet known whether the Purchaser will apply for and be granted leave to appeal to the Supreme Court. The timing and outcome of this matter therefore continue to remain uncertain.

Other property matters

As previously reported, 300 of the 333 leasehold interests in open stores held by the Companies and associated Group companies in administration have been assigned to the Purchaser.

Landlords of the 33 open stores that have not been assigned and the Group's 279 shops that were closed following the Administrators' appointment have been offered a surrender of leasehold interests.

During the periods covered by this report, 15 lease surrenders have been completed and 17 leases have expired.

Overall, 191 leases have now formally ended. The Administrators are continuing to pursue a surrender of the remaining 121 leaseholds across the Group.

In addition, the following work by the Administrators is ongoing:

- Agreeing with the various utility providers to the 612 sites the extent to which liabilities rank as unsecured claims against the Companies and associated Group companies, are payable as expenses of the Administration and / or payable by the Purchaser.
- Corresponding with rating authorities in the UK and Ireland in regard to amounts that were unpaid when the Administrators were appointed and in seeking to identify which party has been in rateable occupation since.
- Accounting to the Purchaser for pre-Administration rate refunds received.
- Addressing pre-appointment public liability insurance claims across the portfolio and responding to post-appointment insurance matters on closed stores.

Post-sale of business matters

Trading liabilities and retention of title ("ROT")

Following the sale, the Administrators of Stores Group have sought to agree and settle post-Administration trading liabilities and resolve ROT claims by key suppliers.

Since the last report, the Administrators have successfully resolved a further £0.2 million in ROT claims, bringing the total to £8.7 million. There are several other potential claims of circa £96,000 that have neither been pursued nor withdrawn and which will need to be finalised.

Work to agree and pay final trading liabilities is ongoing Overall trading expenses were estimated at £708,200 of which circa £400,000 has been agreed and paid to date.

Supply agreements and intellectual property rights

Historically, Stores Group was party to a number of key supply agreements and Plc held a number of intellectual property rights. Under the business sale agreement such rights and interests were transferred to the Purchaser. During the periods covered by this report, the Administrators have continued to liaise with the Purchaser to agree the terms of various transfers and to effect formal assignments and novations.

Trust accounts

Before the Administrators were appointed, the Companies and other associated Group companies placed monies into trust accounts to meet certain liabilities incurred between the five days from 21 March 2012, the date on which notice of intention to appoint administrators was made, and 25 March 2012 inclusive.

1. Joint Administrators' progress report

To date, the Administrators have contacted all potential beneficiaries with a view to agreeing claims. Distributions from the trust accounts and completion of the Group companies' legal obligations in respect of them in due course will be subject to:

- Dealing with unclaimed monies; and
- Establishing which Group entities are entitled to receive any surplus funds, having first resolved any competing claims between the Group companies.

Other assets

Unrealised assets in Stores Group comprise intercompany debts due from associated Group companies. Recoveries remain dependent upon the outcome of the Administrations of those entities.

Plc's shares in overseas entities have been realised. The Administrators have completed their review of the status of the UK subsidiaries of Plc and there are no returns on intercompany debts from these subsidiaries It is also unlikely that Plc will recover any returns on its capital from its subsidiaries.

Creditors

The Companies' creditors include landlords and HM Revenue & Customs ("HMRC") for VAT under a group registration.

Under the Group VAT registration, the Company is jointly and severally liable for pre-appointment VAT arrears of circa £23 million, which has been provisionally agreed with HMRC.

The various assignments and surrenders of leasehold interests have enabled the Administrators to continue to reduce potential unsecured claims for rent. However, as previously reported, landlords' unsecured claims cannot be quantified with certainty until the final outcome of the landlords' legal challenge referred to above.

Discharging statutory obligations

On 12 September 2013, the Administrators circulated formal notice that their third progress report covering the period 16 February to 15 August 2013 was available to creditors to view and download from the internet.

In accordance with the Administrators' obligations under Statement of Insolvency Practice No.2, no matters have come to light in the periods under review to suggest that the Administrators need to conduct any additional investigations into the Companies' affairs prior to their appointment.

The Administrators are in the process of completing the corporation tax return for the period to 31 January 2013 No queries have been raised to date on previous returns.

Since their previous report on progress in the Administration, Group VAT returns for the quarters ended 26 October 2013 and 26 January 2014 have been submitted to and agreed by HMRC.

Receipts and payments accounts

Receipts and payments accounts for the six months ended 15 February 2014 and for the period 16 February to 7 March 2014 are set out in Section 3

As previously advised, £10 million was set aside under the terms of the sale of the Group's business and assets to cover the Administration expenses of the Companies and its associated Group companies

Creditors are asked to note that:

- The account for Stores Group excludes receipt of licence to occupy income from the Purchaser in respect of open stores that have not yet been assigned and excludes onward payment of rent to landlords. These transactions are conducted through a sister company, Games Station Limited, purely for administrative purposes, on behalf of all leaseholder Group companies in Administration.

- Trading in the Administration period was undertaken by Stores Group only. As stated above, Stores Group historically provided all centralised management and administrative functions to its associated companies together with supply, distribution and technical services.

- The majority of the legal fees incurred by the Administrators of Stores Group in respect of the landlords' challenge are recoverable from the Purchaser under the terms of an indemnity in the business sale agreement.

Expenses statement

Statements of the expenses incurred by the Administrators are at Section 4. These exclude any potential tax liabilities that may be payable as expenses of the Administrations because amounts due will depend on the position at the end of the respective tax accounting periods.

Professional advisers

Linklaters LLP ("Linklaters") continues to act as the Administrators' legal advisor on the basis of its specialist knowledge and experience.

The Administrators review the information in support of invoices for legal fees before approving them for payment. The Administrators consider that the legal costs incurred in the periods under review are reasonable.

Administrators' remuneration

The Administrators' remuneration for the first year of the Administrations was approved by the secured creditor Friday Finance Limited ("FFL") and preferential creditors as a set amount as shown below (all plus VAT).

Plc	£270,000
Stores Group	£850,350

These fees were paid in full in June 2013.

Creditors are asked to note that:

- No work that would normally be undertaken by the Administrators' own staff has been subcontracted in the period covered by this report.

- The Administrators have no business or personal relationships with parties responsible for approving remuneration or who provide services to the Administrators in respect of the appointments where the relationship could give rise to a conflict of interest

- Rule 2.109(A) IR86 provides that the Administrators may request that the basis of their remuneration be changed in due course in the event of material and substantial changes in the circumstances that were taken into account when fixing it. Any change in the basis of remuneration is not retrospective.

- An appropriate set fee for the second year of the Administrations will be subject to separate approval from FFL as secured creditor and preferential creditors.

Creditors' rights

An explanatory note giving creditors a statement of their rights in relation to the Administrators' remuneration and expenses, and their rights to request further information, can be found online at.

http://www icaew com/en/technical/insolvency/creditors-guides

A copy may also be obtained free of charge

Outcome for creditors

Secured creditors

As previously advised, FFL is now the sole secured creditor following its acquisition of the secured syndicate lending to the Group following the Administrators' appointment.

Amounts acquired by FFL totalled circa £89 million. As a consequence of the sale of business, FFL recovered £79 million under its fixed and floating charges A further £1.6million has been recovered by FFL in respect of Plc's shares in an overseas subsidiary. The secured lending will not be repaid in full.

Preferential creditors

On the basis of current information, the overall amount of preferential claims against the Group companies is now not expected to exceed £50,000.

Game Stores

Information from the Redundancy Payments Services in England and Northern Ireland indicates that they have preferential claims totalling £9,953 for amounts paid to former employees of Stores under the Employment Rights Act 1996.

The Administrators remain hopeful that the admissible preferential claims will be paid in full.

Plc

Preferential claims of £17,435 have been made against Plc. These have been agreed and will now be paid in full.

Unsecured creditors

Game Stores

Dividend prospects should continue to be regarded as uncertain pending the outcome of the landlords' litigation

As stated above, the Administrators are continuing to seek surrenders of closed stores to minimise unsecured claims so far as possible

Plc

The amount and timing of a dividend will be subject to the final level of admissible claims, settlement of the associated costs and conclusion of asset realisations.

Extension of the Administration

The Administrations were due to come to an automatic end on 25 March 2013. On 8 March 2013, the court granted the Administrators' application to extend their term of office for Plc until 25 March 2014 and for Stores Group until 25 September 2014.

In light of the ongoing uncertainty in regard to the landlords' legal challenge and other continuing aspects of work, the Administrators are applying to court to further extend the Administrations to 25 September 2015 to enable them to:

- In the case of Game Stores, subject to the outcome of the landlords' legal challenge.
  - review and settle Administration expense claims from landlords
  - agree in principle unsecured creditors' claims;
- Make distributions on admissible unsecured claims of Plc;
- Continue to deal with property related matters in Stores Group including executing surrenders;
- Deal with the remaining assignment or novation of supply agreements and intellectual property rights;
- Unwind the trust accounts and recover any surplus funds;
- Agree with HMRC the Company's post-Administration corporation tax and VAT positions;
- Obtain final tax clearance in due course, and
- Determine the most appropriate exit route from the Administrations

Stores Group cannot exit from Administration into creditors' voluntary liquidation as the prospect of a return to non-preferential unsecured creditors is currently uncertain.

The Administrators are of the view that liquidation is not an appropriate exit from the Administrations of the Companies in any event. Liquidation may have adverse tax consequences and affect the ability to assign or novate remaining intellectual property rights.

Further, any realisations in compulsory liquidation (from e.g. the trust accounts in due course) would be subject to statutory fees.

Next report

The Administrators anticipate that they will circulate their next report to creditors in approximately six months.

M J A Jervis
Joint Administrator
The GAME Group plc and Game Stores Group Limited

Michael J A Jervis and Stuart D Maddison have been appointed as Joint Administrators of The GAME Group plc and Game Stores Group Limited to manage their affairs, business and property as their agents Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

The Joint Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998 PricewaterhouseCoopers LLP will act as Data Processor on their instructions Personal data will be kept secure and processed only for matters relating to the administration.

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court Court number: 2552 of 2012
Full name:	The GAME Group plc
Trading name:	None
Registered number:	00875835
Registered address:	7 More London Riverside, London, SE1 2RT
Company directors:	Benjamin White
Company secretary:	None
Shareholdings held by the directors and secretary:	The shareholding registry lists the following director shareholdings. Benjamin White: 161,237 ordinary shares
Date of the Administration appointment:	26 March 2012
Administrators' names and addresses:	Michael J A Jervis of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT and Stuart Maddison of PricewaterhouseCoopers LLP, 9 Greyfriars Road, Reading, Berkshire, RG1 1JG
Details of any extension(s) to the initial period of appointment	On 8 March 2013, the Court granted an extension of the Administrators' term of office to 25 March 2014 pursuant to paragraph 76(2)(a) of Sch. B1 IA86.
Changes in office holder:	None
Appointor's / applicant's name and address:	The directors of the Company c/o 7 More London Riverside, London, SE1 2RT
Objective being pursued by the Administrators:	Objective (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).
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office.
Proposed end of the Administration:	25 September 2015
Estimated dividend for unsecured creditors:	Uncertain
Estimated values of the prescribed part and the company's net property:	Prescribed Part. Uncertain Net property: Uncertain
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	Uncertain
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court Court number: 2553 of 2012
Full name:	Game Stores Group Limited
Trading name:	GAME
Registered number:	01937170
Registered address:	7 More London Riverside, London, SE1 2RT
Company directors:	Jonathan Mark Axon, Paul John Blunden, Thomas Robert Devine and Benjamin White
Company secretary:	None
Shareholdings held by the directors and secretary:	None
Date of the Administration appointment:	26 March 2012
Administrators' names and addresses:	Michael J A Jervis of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT and Stuart Maddison of PricewaterhouseCoopers LLP, 9 Greyfriars Road, Reading, Berkshire, RG1 1JG
Details of any extension(s) to the initial period of appointment	On 8 March 2013, the Court granted an extension of the Administrators' term of office to 25 September 2014 pursuant to paragraph 76(2)(a) of Sch. B1 IA86.
Changes in office holder:	None
Appointor's / applicant's name and address:	The directors of the Company c/o 7 More London Riverside, London, SE1 2RT
Objective being pursued by the Administrators:	Objective (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).
Division of the Administrators' responsibilities:	In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the Administration is in force, any function to be exercised by the persons appointed to act as Administrators may be done by any or all of the persons appointed or any of the persons for the time being holding that office.
Proposed end of the Administration:	25 September 2015
Estimated dividend for unsecured creditors:	Uncertain
Estimated values of the prescribed part and the company's net property:	Prescribed Part: Uncertain Net property: Uncertain
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	Uncertain
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.

3. Receipts and payments accounts

Plc:

	26 March 2012 to 15 August 2013 £	16 August 2013 to 15 February 2014 £	16 February to 7 March 2014 £	Total £
Receipts				
Assets subject to fixed charge				
Business intellectual property rights	6,435,000 00	-	-	6,435,000.00
Sale of shares in subsidiaries	4,112,000 00	-	-	4,112,000 00
Assets subject to floating charge				
Cash	199,392 49	-	-	199,392 49
Amounts due to the purchaser under the sale agreement				
Refunds[1]	400,679 74	(24,799 72)	-	375,880 02
Interest	20,725 86	3,678 85	-	24,404 71
Third party funds	-	1,490 93	-	1,490 93
Total receipts	11,167,798 09	(19,629 94)	-	11,148,168 15
Payments				
Fixed charge				
Statements of affairs fees	24,213.46	-	-	24,213.46
Legal fees[2]	108,880 72	(28,389 68)	-	80,491 04
Administrators' fees	270,000 00	-	-	270,000 00
Distributions to secured creditor	10,115,056 82	-	-	10,115,056 82
Irrecoverable VAT[3]	5,067.93	-	-	5,067.93
Floating charge				
Distribution to secured creditor	156,513 99	-	-	156,513 99
Postage and stationary	-	1,964 39	-	1,964.39
Regulatory fees	-	64.00	-	64 00
Amounts due to the purchaser under the sale of business				
Game Retail Limited	87,270 90	288,609 12	-	375,880 02
Third party funds	-	1,490 93	-	1,490 93
Net VAT receivable/(payable)[4]	52,958.28	(49,748 24)	-	3,210 04
Total payments	10,819,962 10	213,990 52	-	11,033,952 62
Balance held[5]/movement	347,835.99	(233,620.46)	-	114,215 53

Notes:

1) Includes refunds due to the Purchaser which were received previously and have been reallocated to the appropriate Administration estates

2) Legal fees of £12,233 were incurred and paid by Plc in the period 16 August 2013 to 7 March 2013 Legal fees paid in the prior period of £40,623 were recharged to Game Stores Group Limited, resulting in a net reduction in total legal fees of £28,390

3) VAT arising on legal advice in respect of the sale of subsidiaries

4) VAT recoverable has been claimed by Plc as the representative member of the VAT group and, where applicable, allocated across the Administration estates.

5) All funds are held with Barclays Bank plc in interest bearing current accounts.

3. Receipts and payments accounts

Stores Group

a) Receipts and payments account	For the period 26 March 2012 to 15 August 2013	16 August 2013 to 15 February 2014	16 February to 7 March 2014	Total
	£	£	£	£
Receipts				
Assets subject to fixed charge				
	-	-	-	-
Assets subject to floating charge				
Business stock	20,020,654 00	-	-	20,020,654 00
Fixtures, fittings, furniture and equipment	624,907.54	-	-	624,907 54
Commercial records	33,333.34		-	33,333 34
Vehicles	100,000 00	-	-	100 000 00
Rights under contracts, claims and allowances	4 00	-	-	4 00
Book debts	34,999,996 00	-		34,999,996 00
Work in progress	100,000 00	-	-	100,000 00
Benefit of claims for grants	46,492 66	-	-	46,492 66
Cash	6,987,233 84	-	-	6,987,233 84
Administration trading sales	4,621,333 98	-	-	4,621,333 98
Receipt of trust account monies				
Funds set aside for PAYE/NI	271,000 00		-	271,000 00
Amounts due to the purchaser under the sale agreement				
Balance at bank	1,261,076 79	53 07	-	1,261,129 86
Income in transit at appointment date	13,579,441.46	(1,778,191.39)	-	11,801,250 07
Sundry refunds	54,959 52	23,344 19	-	78,303 71
Interest	2,779 48	320 23	-	3,099 71
Total receipts	82,703,212 61	(1,754,473 90)	-	80,948,738 71
Payments				
Floating charge				
Agents fees - valuation	11,751 74	-	-	11,751 74
Agents' fees - closed stores	199,312 76	-	-	199,312 76
Legal fees[1]	666,858 08	90,245.22	-	757,103.30
Lease assignment costs	144,187 72	60,290.56	-	204 478 28
Distribution to secured creditor	60,939,548.39	-	-	60,939,548.39
Bank charges	10,729 71	-	-	10,729 71
Administration trading costs[2]	2,695,674 76	(26,682.31)	188,159 09	2,857,151.54
Administrators' fees	850,350.00	-	-	850 350.00
Statutory advertising	-	441 73	-	441 73
Postage and stationery	-	49,851 41	-	49,851.41
Foreign Tax	-	8 97	-	8 97
Consultancy fees	-	18,834.97	-	18,834 97
Amounts due to the purchaser under the sale agreement				
Game Retail Limited	14,070,826 13	(927,042 78)	-	13,143,783.35
Net VAT payable/(receivable)[3]	769,098.78	(731,041 46)	34,286.00	73,240 32
Total payments	80,359,235.07	(1,468,093 69)	222,445.09	79,116,586.47
Balance held[4]/(movement)	2,343 977 54	(289,380 21)	(222,445.09)	1,832,152 24

Notes

1) Includes legal fees of £40,623 paid previously by Plc and reimbursed by Stores Group

2) Trading costs in the period 16 August 2013 to 7 March 2014 were £230,604. These trading costs include total ROT settlement payments of £730,157, of which £185,944 were paid in the period 16 February to 7 March 2014 In addition, an adjustment was made to reallocate overhead costs of £69,128 not directly attributable to trading

3) VAT recoverable has been claimed by the GAME Group plc as the representative member of the VAT group and, where applicable, allocated across the Administration estates.

4) All funds are held with Barclays Bank plc in interest bearing current accounts.

5) Under the terms of the sale agreement, any Administration trading profit is due to the Purchaser once all associated costs have been settled

3. Receipts and payments accounts

b) Trading account	26 March 2012 to 15 February 2014	16 February to 7 March 2014	Total
	£	£	£
Administration trading sales	4,621,333.98	-	4,621,333.98
Cost of sales[2]	(696,778.17)	(185,943.69)	(882,721.86)
Salaries and occupation costs	(1,774,404.71)	-	(1,774,404 71)
Other overheads[2]	(197,809.57)	(2,215.40)	(200,024 97)
Estimated trading profit[5]	1,952,341.53	(188,159.09)	1,764,182.44

Notes

1) Includes legal fees of £40,623 paid previously by Plc and reimbursed by Stores Group
2) Cost of sales in the period 16 August 2013 to 7 March 2014 was £230,604 These trading costs include total ROT settlement payments of £730,157, of which £185,944 were paid in the period 16 February to 7 March 2014 In addition, an adjustment was made to reallocate overhead costs of £69,128 not directly attributable to trading
3) VAT recoverable has been claimed by the GAME Group plc as the representative member of the VAT group and, where applicable, allocated across the Administration estates.
4) All funds are held with Barclays Bank plc in interest bearing current accounts
5) Under the terms of the sale agreement, any Administration trading profit is due to the Purchaser once all associated costs have been settled.

4. Expenses incurred in the period

Plc:

	16 August 2013 to 15 February 2014	16 February to 7 March 2014	Total
	£	£	£
Paid			
Legal fees	(28,389.68)	-	(28,389 68)
Postage and stationery	1,964.39	-	1,964 39
Regulatory fees	64.00	-	64.00
Sub total	(26,361.29)	-	(26,361.29)
Unpaid			
Legal fees	6,610.50	409.50	7,020.00
Sub total	6,610.50	409.50	7,020.00
Overall total	(19,750.79)	409.50	(19,341.29)

Note: VAT is excluded.

4. Expenses incurred in the period

Stores Group:

	16 August 2013 to 15 February 2014	16 February to 7 March 2014	Total
	£	£	£
Paid			
Trading costs	(26,682.31)	188,159 09	161,476 78
Legal fees	90,245 22	-	90,245.22
Lease assignment costs	60,290.56	-	60,290.56
Statutory advertising	441.73	-	441 73
Foreign tax	8.97	-	8 97
Consultants	18,834.97	-	18,834 97
Postage and stationary	49,851.41	-	49,851 41
Sub total	192,990.55	188,159.09	381,149 64
Unpaid			
Trading costs. storage	6,376.96	-	6,376 96
Trading costs· insurance	4,430.80	-	4,430.80
Legal fees	1,101.75	68 25	1,170 00
Legal fees: Landlords' legal challenge	16,573 33	1,026 67	17,600 00
Sub total	28,482.84	1,094 92	29,577.76
Overall total	221,473.39	189,254.01	410,727.40

Note: VAT is excluded. As stated in the report, the majority of the legal costs attributable to the landlords' legal challenge are being met by the Purchaser