

The Insolvency Act 1986

Notice of move from administration to dissolution

Name of Company The GAME Group plc	Company Number 00875835
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 2552 of 2012

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

We (a) Michael John Andrew Jervis and Zelf Hussain
of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT

(b) Insert name and address
of registered office of
company

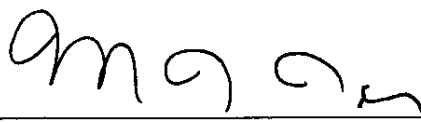
having been appointed administrators of (b) The GAME Group plc, 7 More London Riverside, London SE1 2RT

(c) Insert date of
appointment(d) Insert name of applicant /
appointor

on (c) 26 March 2012 and 30 June 2015 respectively by (d) the directors of the company and the Court
respectively

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986
apply

We attach a copy of the final progress report

Signed 
Joint Administrators

Dated 25/9/15

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.

Adam Qadir, PricewaterhouseCoopers LLP	
7 More London Riverside London	
SE1 2RT	Tel 020 7212 1474
DX Number	DX Exchange



LD2 25/09/2015 #182
COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff

FRIDAY



The GAME Group plc – in Administration

**High Court of Justice, Chancery Division, Companies Court
Case No. 2552 of 2012**

**Joint Administrators' final progress report
25 September 2015**

Contents

Section	Pages
1	Joint Administrators' final progress report 2 – 5
2	Statutory and other information 6
3	Summary of the Joint Administrators' proposals 7 - 8
4	Final receipts and payments account 9
5	Expenses incurred in the period 10

1. The Joint Administrators' final progress report

Introduction

The Joint Administrators (the "Administrators") are pleased to provide their final progress report on the Administration of The GAME Group plc (the "Company") pursuant to Rules 2 47 and 2 110 of The Insolvency Rules 1986 ("IR86")

The Administrators are required to provide certain statutory information pursuant to Rule 2 47(1) IR86, which is shown in Section 2 to this report. The Administrators are also required to provide a summary of their proposals, which is shown at Section 3

Details of the steps taken during the Administration, assets realised and the final outcome are set out below

Background

When the Administrators were appointed on 26 March 2012, the Company was part of the wider GAME Group of companies (the "Group"), which operated as the leading video games and related product retailer in Europe

The Company is the parent company of the Group, and provided funding to Group companies. The Company also held investments in the UK and a number of overseas subsidiaries

Steps taken during the Administration

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 the Company

Following the sale, the Administrators' activities focussed on the following work-streams, which are discussed in turn

- intellectual property rights,
- other assets,
- trust accounts,
- creditors, and
- discharging statutory obligations

Intellectual property rights

Historically, the Company held a number of intellectual property rights. Under the business sale agreement, such rights and interests were transferred to the Purchaser during the Administration

Other assets

The Administrators realised shares in overseas subsidiaries during the Administration. There was no return on the Company's capital or from the intercompany debts due from its UK subsidiaries

Trust accounts

Before the Administrators were appointed, the Company and certain other Group companies placed monies into trust 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

These liabilities were met in full from the trust accounts. Surplus trust monies were made available to Group companies relative to their trust contributions, from which the Company received £68 5k

Creditors

The Company's creditors include HM Revenue & Customs ("HMRC") for VAT under a group registration

1. The Joint Administrators' final progress report

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

Discharging statutory obligations

The directors of the Company were required by the Administrators to deliver up a statement of the Company's affairs as at 26 March 2012. This was provided on 22 May 2012 and duly filed at Companies House

The formal notice that the proposals for achieving the purpose of the Administration were available to download from the internet was circulated to creditors on 17 May 2012, and the proposals were deemed approved by creditors on 30 May 2012

The Administrators complied with their obligations under the Company Directors Disqualification Act 1986

Formal notice was also circulated for each progress report notifying creditors that the respective report was available to download from the internet

The Administrators have submitted the required corporation tax returns for the Company and received tax clearance from HMRC

All Group VAT returns have also been submitted to HMRC

Final receipts and payments account

An account of the final receipts and payments in the Administration to 25 September 2015 is set out in section 4 to this report

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 Company and its associated Group companies

Creditors are asked to note that trading in the Administration period was undertaken by sister company Game Stores Group Limited ("Stores Group") only. Stores Group historically provided all centralised management and administrative functions to its associated companies together with supply, distribution and technical services

Expenses statement

A statement of the final expenses incurred by the Administrators in the period to 25 September 2015 is included at Section 5

Professional advisers

Linklaters LLP acted as the Administrators' legal advisor on the basis of its specialist knowledge and experience

The Administrators reviewed the information in support of invoices for legal fees before approving them for payment. The Administrators consider that the legal costs incurred were reasonable

Administrators' remuneration

The Administrators' remuneration from the commencement of the Administration to the 30 June 2015 has been detailed in previous reports

The secured creditor Friday Finance Limited ("FFL") has approved further Administrators' remuneration in respect of the work done to agree unsecured creditors' claims and distribute the Prescribed Part funds totalling £6,442 plus VAT

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

1. The Joint Administrators' final progress report

provide services to the Administrators in respect of the appointments where the relationship could give rise to a conflict of interest

Creditors' rights

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 2.48A of the Insolvency Rules 1986. Any request must be in writing. Creditors can also challenge the Administrators' fees and expenses within eight weeks of receiving this report as set out in Rule 2.109. This information can also be found in the guide to fees at

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-administrators-fees-final.pdf>

A copy may also be obtained free of charge by writing to the Administrators

Outcome for creditors

Secured creditors

As previously advised, FFL is 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 £2.8m has been recovered by FFL under its fixed and floating charges, £1.6m in respect of the Company's shares in an overseas subsidiary and £1.2m from the £10m that was originally set aside under the terms of the business sale agreement to fund the Group Administrations.

Preferential creditors

Amounts due to former employees for wages and holiday pay totalling £16.4k have been paid in full.

Unsecured creditors

According to the Statement of Affairs of the Company as at 26 March 2012 (the commencement of the Administration), unsecured creditors were estimated to total circa £33m.

During the Administration claims totalling £29m were admitted to rank for dividend purposes.

The Administrators declared and paid a first and final dividend of 0.1272p in the pound, enabling £36,437 to be distributed to the unsecured creditors. This dividend was limited to monies available by virtue of the Prescribed Part (as defined by Section 176A of the Insolvency Act 1986), details of which have been provided in previous reports.

Exit route from Administration

In accordance with the proposals approved by creditors, a Notice of move to dissolution was sent by the Administrators to the Registrar of Companies on the date of this report. When this notice is registered, the Administration will come to an end. Approximately three months after registration, the Company will be dissolved.

The move to dissolution is the most appropriate in the circumstances, the Administrators having realised all known assets of the Company and distributed funds to creditors.

1. The Joint Administrators' final progress report

Discharge

In accordance with resolutions of the secured creditor and preferential creditors, the Administrators shall be discharged from liability pursuant to Paragraph 98(1) of Schedule B1 to the Insolvency Act 1986 in respect of any action of theirs as Administrators 14 days after they cease to be Administrators of the Company



M J A Jervis
Joint Administrator
The GAME Group plc

Michael J A Jervis and Zelf Hussain have been appointed as Joint Administrators of The GAME Group plc to manage its affairs, business and property as its agents. Michael J A Jervis and Zelf Hussain 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:

Full name:

Trading name:

Registered number:

Registered address:

Company directors:

Company secretary:

Shareholdings held by the directors and secretary:

Date of the Administration appointment:

Administrators' names and addresses:

Changes in office holder:

Appointor's / applicant's name and address:

Objective being pursued by the Administrators:

Division of the Administrators' responsibilities:

Extensions to the period of the Administration:

End of the Administration:

Dividend for unsecured creditors:

Values of the prescribed part and the company's net property:

Whether and why the Administrators intended to apply to court

under Section 176A(5) IA86:

The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):

High Court of Justice, Chancery Division, Companies Court

Court number 2552 of 2012

The Game Group Plc

None

00875835

7 More London Riverside, London, SE1 2RT

Benjamin White

None

The shareholding registry lists the following directors shareholdings

Benjamin White 161,237 ordinary shares

26 March 2012

Michael J A Jervis and Zelf Hussain both of PricewaterhouseCoopers LLP, 7

More London Riverside, London, SE1 2RT

Zelf Hussain replaced Stuart D Maddison as Joint Administrator with effect

from 30 June 2015 by order of the Court

The directors c/o 7 More London Riverside, London, SE1 2RT

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)

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

On 8 March 2013, the Court granted an extension of the Administrators' term of office to 25 March 2014

On 14 March 2014, the Court granted a further extension of the Administrators' term of office to 25 September

2015 Both extensions were pursuant to paragraph 76(2)(a) of Sch B1 IA86

Dissolution

0 1272 p in £

Prescribed Part £43k Net Property £199k

The Administrators do not intend to apply to court under Section 176A(5) IA86

IA86

The European Regulation on Insolvency Proceedings applies to this

Administration and the proceedings

3. Summary of the Joint Administrators' proposals

The Administrators made the following proposals for achieving the purpose of administration, which were deemed approved on 30 May 2012

- i) The Administrators will continue to manage the Companies' business, affairs and property from asset realisations in such manner as they consider expedient with a view to achieving a better result for the Companies' respective creditors as a whole than would be likely if the Companies were wound up (without first being in Administration)
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Companies may have under the Companies Acts 1985, 2006 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administrations or to protect and preserve the assets of the Companies or to maximise their realisations or for any other purpose incidental to these proposals
- iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the Administration as part of the Administrators' remuneration (where the Administrators think there will be sufficient funds for a distribution to unsecured creditors other than by virtue of the prescribed part) or out of the prescribed part as costs associated with the prescribed part (where the Administrators think that funds will become available to the unsecured creditors by virtue of the prescribed part but not otherwise)
- iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to Court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch B1 IA86
- v) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administrations to an end, but in this particular instance the Administrators are likely to wish to pursue one or more of the following options in respect of either or both Companies as being the most cost effective and practical in the present circumstances
 - (a) The Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administrations will be brought to an end by notices to the Registrar of Companies under Paragraph 84 Sch B1 IA86, following registration of which the Companies will be dissolved three months later. If permission is not granted the Administrators will place the Companies into creditors' voluntary liquidation or otherwise act in accordance with any order of the Court, or
 - (b) The Administrators will place the Companies into creditors' voluntary liquidation, in these circumstances, it is proposed that the joint administrators in office at that time be appointed as joint liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch B1 IA86 and Rule 2.117A(2)(b) IR86, creditors may nominate alternative liquidators, provided that the nomination is made before the proposals are approved, or
 - (c) The Administrators will make an application to Court under Paragraph 79 Sch B1 IA86 for the Administrations to be ended and accompanied by a petition under Section 124 IA86 for the Companies to be wound up

3. Summary of the Joint Administrators' proposals

v1) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch B1 IA86 in respect of any action of theirs as Administrators at a time resolved by the secured creditor, or if a distribution has been or may be made to the preferential creditors, at a time resolved by the secured and preferential creditors or in any case at a time determined by the Court

v11) It is proposed that the Administrators' fees be fixed under Rule 2.106 IR86 as a set amount and that disbursements for services provided by the Administrators' own firm (defined as Category 2 disbursements in Statement of Insolvency Practice No 9) be charged in accordance with the Administrators' firm's policy. As the Administrators have stated that they think that the Companies have insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than by virtue of Section 176A IA86, it will be for the secured creditor and preferential creditors (if any) to determine these instead. In any event, the basis of the Administrators' remuneration and Category 2 disbursements are to be fixed no later than 18 months after the date of the Administrators' appointment. A statement of creditors' rights in relation to the Administrators' remuneration and expenses as provided by IR86 is provided at Appendix D

4. Statement of expenses incurred from 8 September 2015 to 25 September 2015

	26 March 2012 to 7 September 2015 £	8 September to 25 September 2015 £	Total £
Receipts			
<u>Assets subject to fixed charge</u>			
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
<u>Assets subject to floating charge</u>			
Cash	199,392 49	-	199,392 49
Corporation tax refund	2,092 14	-	2,092 14
Trust account surplus	68,521 89	-	68,521 89
<u>Amounts due to the purchaser under the sale agreement</u>			
Refunds	427,244 02	-	427,244 02
Interest	7,635 99	-	7,635 99
Third party funds	1,490 93	-	1,490 93
Total receipts	11,253,377 46	-	11,253,377 46
Payments			
<u>Fixed charge</u>			
Legal fees ¹	37,610 33	(12,270 68)	25,339 65
Administrators' remuneration	345,000 00	56,535 59	401,535 59
Distributions to secured creditor	10,115,056 82	-	10,115,056 83
Irrecoverable VAT ²	5,067 93	-	5,067 93
<u>Floating charge</u>			
Administrators' remuneration	25,000 00	16,906 41	41,906 41
Administrators category 2 disbursements	-	17,343 00	17,343 00
Distribution to secured creditor	156,513 99	-	156,513 99
Distribution to unsecured creditors ³	-	36,437 00	36,437 00
Postage and stationery	6,306 66	463 12	6,769 78
Statutory advertising	67 00	-	67 00
Regulatory fees	64 00	-	64 00
Corporation tax	2,088 96	-	2,088 96
Payroll costs	-	42 00	42 00
Bank charges	-	25 75	25 75
<u>Amounts due to the purchaser under the sale of business</u>			
Game Retail Limited	427,244 02	-	427,244 02
Distribution to preferential creditors ⁴	-	16,384 63	16,384 63
Third party funds	1,490 93	-	1,490 93
Net VAT receivable/(payable)	-	-	-
Total payments	11,121,510 64	131,866 82	11,253,377 46
Balance helds/movement	131,866 82	(131,866 82)	-

Notes:

1) Negative balances represent the final reallocation of amounts paid/received by the Company on behalf of the other Group administration estates

2) VAT arising on legal advice in respect of subsidiary sales

3) A dividend of 0.1272 p/£ was declared and paid to unsecured creditors of the Company from the Prescribed Part funds on 25 September 2015

4) A dividend of 100p/£ was declared and paid to preferential creditors of the Company on 17 September 2015

5) All funds were held with Barclays Bank plc in non-interest bearing current accounts

4. Statement of expenses incurred from 8 September 2015 to 25 September 2015

	8 September to 25 September 2015 £
Paid	
Administrators' remuneration	73,442 00
Administrators' category 2 disbursements	17,343 00
Postage and stationery	463 12
Payroll costs	42 00
Bank charges	25 75
Sub total	<u>91,315 87</u>
Unpaid	
N/A	-
Sub total	<u>-</u>
Overall total	<u>91,315 87</u>

Note: VAT is excluded