

Liquidator's Progress Report

S.192

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

To the Registrar of Companies

Company Number

OC335225

Name of Company

Wargaming.net LLP

± We

Stephen Roland Browne, PO Box 810, 66 Shoe Lane, London, EC4A 3WA

Ian Harvey Dean, PO Box 810, 66 Shoe Lane, London, EC4A 3WA

the liquidator(s) of the company attach a copy of my/our Progress Report under section 192 of the Insolvency Act 1986.

The Progress Report covers the period from 29/06/2016 to 28/06/2017

Signed 

Date 29 / Aug / 2017.

Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA

Ref: WARG00L/MJS/SWM/MJS

THURSDAY



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COMPANIES HOUSE

**WARGAMING.NET LLP
(IN MEMBERS' VOLUNTARY LIQUIDATION)
("the LLP")
OC335225**

**HILL HOUSE
1 LITTLE NEW STREET
LONDON
EC4A 3TR**

ANNUAL PROGRESS REPORT TO THE MEMBERS FOR THE 12 MONTH PERIOD TO 28 JUNE 2017 PURSUANT TO SECTION 92A OF THE INSOLVENCY ACT 1986 (AS AMENDED) ("the ACT") AND RULE 18.7 THE INSOLVENCY (ENGLAND & WALES) RULES 2016 ("THE RULES").

8 August 2017

Stephen Browne and Christopher Day ("the Liquidators") were appointed Joint Liquidators of the LLP further to the written determinations of the members dated 29 June 2016. Christopher Day was replaced as Joint Liquidator by Ian Dean following a Court Order dated 12 May 2017. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of section 231 of the Act the Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

This report has been prepared for the sole purpose of updating the members for information purposes. The report may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by members for any purpose other than updating them for information purposes, or by any other person for any purpose whatsoever.



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- 1. Liquidators' Receipts and Payment accounts for the 12 months to 28 June 2017**
- 2. Liquidators' Remuneration for the 12 months to 28 June 2017**

1. EXECUTIVE SUMMARY

Key Messages	Commentary
<p>Progress of the liquidation during the report period</p>	<ul style="list-style-type: none"> • The matters completed during the course of the liquidation have included mandatory liquidation tasks such as; statutory advertising, filings and notifications of the liquidation, undertaking searches at HM Land Registry and the Pension Tracing Services; securing the LLP's assets; and winding up the LLP's legal and contractual obligations. • Partnership tax clearance was provided by HM Revenue & Customs on 23 March 2017 for pre-liquidation periods. • One of the major activities during the liquidation continues to be the assignment of legal titles, for intellectual property registered outside of the United Kingdom, to a connected party.
<p>Costs</p>	<ul style="list-style-type: none"> • Our fees and the costs of the liquidation are settled from the LLP's estate. During the period 29 June 2016 to 28 June 2017 we have been paid £68,567.89 (excluding VAT) to date. Of the fees paid, £17,500 relates to pre-liquidation advice. • The basis of our remuneration has been fixed by reference to time costs. • Further detail on our remuneration is disclosed in section 5 of this report.
<p>Outstanding matters</p>	<ul style="list-style-type: none"> • A number of legal titles for intellectual property registered outside of the United Kingdom remain to be transferred to the beneficial owner.
<p>Distributions made during the period</p>	<ul style="list-style-type: none"> • No distributions were made to the members during the reporting period.
<p>Future Distributions and Closure</p>	<ul style="list-style-type: none"> • We anticipate making a first interim distribution of the LLP's assets to its members in two denominations, USD and EUR. The distributable amounts are estimated as follows: <ul style="list-style-type: none"> • USD - \$407,822 • EUR - €302,355 • We expect that a second and final distribution of the remaining assets, will be made towards the end of the next reporting period, following resolution of the intellectual property matters. Steps will then be taken to conclude the liquidation.

2. PROGRESS OF THE LIQUIDATION

Work done during the report period

Asset Realisations

At the outset of the liquidation and on the basis of the information stated on the LLP's Declaration of Solvency, the estimated assets of the LLP were £832,481, comprising of its balance at bank (£752,817), cash in hand (£36,377) and trade debtors (£43,287). Assets were denominated in three different currencies (GBP, USD, and EUR) but were converted to GBP for the purposes of the Declaration of Solvency.

During the period the Joint Liquidators have taken steps to secure and realise these assets as follows:

- Following their appointment the Joint Liquidators secured the LLP's cash at bank and subsequently took steps to transfer those balances to liquidation bank accounts. The balances on the date of appointment were GBP £850.55; USD \$393,036.69; EUR €550,946.32.
- The cash in hand balance comprised of VAT repayments due to the LLP and a total of £33,599.69 was received during July and August 2016.
- Debtors totalling USD \$55,502.36 were collected during June and July 2016.

Liabilities

At the outset of the liquidation and on the basis of the information stated on the LLP's Declaration of Solvency the estimated liabilities of the LLP were £45,000, being estimated costs of the liquidation and accrued expenses for other professional services of £45,084 in relation to the winding up of the LLP.

- During the period the Joint Liquidators have made payments totalling £30,500 and €26,706.05 (excluding VAT), in respect of accrued expenses.
- Other expenses have been incurred during the period and these are set out in the Receipts and Payments accounts in Appendix 1.
- Details of the remuneration for the Joint Liquidators are set out in Appendix 2

Distributions

No distributions were made to the members during the reporting period.

We anticipate making a first interim distribution of the LLP's assets to its members in two denominations, USD and EUR. The amounts are estimated as follows:

USD - \$407,822

EUR - €302,355

We expect that a final distribution of the remaining assets, will be made towards the end of the next reporting period. Steps will then be taken to conclude the liquidation.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case set-up and management
- Statutory reporting
- Appointment notifications
- Correspondence
- Case reviews
- Cashiering functions

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for the members.

Case specific matters

At the date of appointment the LLP held the legal title to a number of intellectual property assets registered outside of the United Kingdom. The beneficial title to the intellectual had been disposed of prior to the liquidation commencing, and during the period the Joint Liquidators have supported the beneficial owner of these assets to transfer legal titles in accordance with local regulations.

This exercise remains on-going and the Joint Liquidators expect to be in a position to close the liquidation once it has been concluded.

Cost of the work done during the report period

The following expenses (excluding VAT) were incurred during the report period.

- Liquidators' remuneration - £51,067.89
- Legal fees for notarisation - \$905.19
- Professional fees in relation to tax compliance - €35,382.63
- Professional fees to Deloitte Limited in relation to tax advice – €20,002.23
- Statutory advertising & other expenses - £554.56

Please note that total liquidators' remuneration has been drawn from the USD and EUR account balances in addition to the GBP balance.

Further information in relation to the costs incurred during the course of the liquidations can be found in section 5 of this report.

3. LIQUIDATORS' RECEIPTS AND PAYMENTS ACCOUNT

Receipts and payments accounts are provided at Appendix 1, detailing the transactions in the 12 month period since our appointment.

As described in Section 2, the LLP's assets comprised of cash balances in GBP, Euros and US Dollars. On this basis, a separate Receipts and Payments account is provided for each currency in Appendix 1.

4. INFORMATION FOR MEMBERS

Distributions made

No distributions to the members have been made during the reporting period.

Future Distributions

We anticipate declaring a first interim distribution of the LLP's assets to its members in two denominations, USD and EUR. The amounts are estimated as follows:

USD - \$407,822

EUR - €302,355

We expect that a final distribution of the remaining assets will be made towards the end of the next review period, following which steps will be taken to conclude the liquidation.

Other Matters and Information

The Joint Liquidators expect to be in a position to conclude the liquidation once the intellectual property related issues in section 2 of this report have been resolved.

Members' right to request further information

Members of the Company with at least 5% in value of the total voting rights of all the members having the right to vote at general meetings of the Company, or, any member with permission of the Court, may, in writing, request us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

Members' right to challenge Remuneration and/or Expenses

Members of the LLP with at least 10% of the total voting rights of all the members having the right to vote at general meetings of LLP, or, any member with permission of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within 8 weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34 of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

5. LIQUIDATORS' REMUNERATION AND DISBURSEMENTS

Basis Of Liquidators' Remuneration

The basis of our remuneration was fixed by the LLP in General Meeting on 29 June 2016 by reference to the time properly given by the Liquidators and their staff in attending to matters arising in the liquidation, calculated at the prevailing hourly charge-out rates used by Deloitte at the time when the work was performed, plus VAT.

Liquidators' Fees – work undertaken – time costs

Our time costs for the period at standard hourly rates are £80,837 made up of 175.9 of hours at an average charge out rate of £459.7/hour across all grades of staff.

During the period to date we have been paid £68,567.89, as shown in the receipts and payments account on Appendix 1. Please note that total remuneration has been drawn from the USD and EUR account balances in addition to the GBP balance, and £17,500 of the amount paid relates to pre-liquidation advice.

A detailed breakdown of these time costs together with details of our charge rates is provided at Appendix 2. Please note that time is charged in six minute increments.

Members may request a detailed breakdown of the time costs incurred by writing to the address at the front of this report.

Liquidators' Charge-out rates

The range of charge-out rates for the separate categories of staff is summarised below.

Grade	From 29 June 2016 (£)	From 1 Sept 2016 (£)
Partners/Directors	645 to 1020	660 to 1045
Assistant Directors	500 to 770	515 to 790
Managers	430 to 695	440 to 710
Assistant Managers	325 to 550	335 to 565
Assistants and Support Staff	80 to 325	80 to 335

The average charge-out rates applicable to this case are provided at Appendix 2.

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments, such as Tax/VAT, Financial Advisory or Deloitte Real Estate, may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands.

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff

working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

Liquidators' Disbursements

Category 1

These are payments made by us direct to third parties and for which no approval is required.

- Statutory bond - £230
- Document Courier - £20

Category 2

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can be drawn from the liquidation estate.

There were no Category 2 disbursements.

RECEIPTS AND PAYMENTS ACCOUNT

Wargaming.Net LLP
(In Liquidation)

Summary of Receipts & Payments
29 June 2016 to 28 June 2017
GBP Account

	Declaration of Solvency as at 29 June 2016	Whole period of liquidation from 29 June 2016 to 28 June 2017
	(£)	(£)
Receipts		
Balance at bank	851	850.55
Cash in hand	36,377	
Trade debtors		
VAT receipts		33,599.69
GBP received from USD account		14,193.46
Bank interest		6.25
Total	<u>37,228</u>	<u>48,649.95</u>
Payments		
HM Land Registry search fee		11.00
Bank charges		286.45
Statutory advertising		253.80
VAT payment for pre-liquidation period		348.84
Liquidators' remuneration		22,244.21
Pre-liquidation advice		17,500.00
Total	<u>0</u>	<u>40,644.30</u>
Balance		<u>8,005.65</u>
Made up of:		
Balance held in interest bearing account		6.05
VAT (Payable)/Receivable		7,999.60
Balance in hand		<u>8,005.65</u>

Summary of Receipts & Payments
29 June 2016 to 28 June 2017
Euro Account

	Declaration of Solvency as at 29 June 2016	Whole period of liquidation from 29 June 2016 to 28 June 2017
	(€)	(€)
Receipts		
Balance at bank	456,638	550,946.32
Bank interest		170.89
Total	<u>456,638</u>	<u>551,117.21</u>
Payments		
Bank charges		120.34
Liquidators' remuneration		16,842.23
Deloitte Limited - tax advice		20,002.23
Professional fees - tax compliance services		35,382.63
Total	<u>0</u>	<u>72,347.43</u>
Balance		<u>478,769.78</u>
Made up of:		
Balance held in interest bearing account		464,524.39
VAT (Payable)/Receivable		10,444.97
VAT Irrecoverable		3,800.42
Balance in hand		<u>478,769.78</u>



Summary of Receipts & Payments
29 June 2016 to 28 June 2017
USD Account

	Declaration of Solvency as at 29 June 2016 (£)	Whole period of liquidation from 29 June 2016 to 28 June 2017 (\$)
Receipts		
Balance at bank	295,328	393,036.69
Trade debtors	43,287	55,502.36
Payment received in error		310.39
Total	338,614	448,849.44
Payments		
Bank charge		170.83
Repayment of funds received in error		325.73
Legal fees - notary		905.19
USD account transfer to GBP account		17,643.14
Liquidators' Remuneration		18,167.31
Total	0	37,212.20
Balance		411,637.24
Made up of:		
Balance held in interest bearing account		407,822.74
VAT (Payable)/Receivable		3,814.50
Balance in hand		411,637.24

Source: Deloitte analysis



General Notes

The Receipts and Payments account must be read in conjunction with the attached notes and report.

NOTES TO THE RECEIPTS AND PAYMENTS ACCOUNT

1. Three Receipts and Payment accounts have been provided to reflect the denominations in which the LLP holds its funds.
2. All funds are held in interest bearing accounts. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.
3. Funds of \$310.39 were paid into the LLP's US Dollar bank account in error, these funds do not form part of the assets of the Company and have been refunded.
4. All sums shown above are shown net of VAT. A proportion of the VAT shown above will be irrecoverable as it relates to payments made to suppliers outside the United Kingdom.
5. All sums shown above are shown net of VAT, a proportion of which is recoverable and will be accounted for to HM Revenue & Customs in due course.
6. The VAT recoverable amounts reported in Euros and US Dollars relate to payments made from these currency accounts where VAT will be reclaimed from HM Revenue & Customs in pounds sterling.

**WARGAMING.NET LLP
(IN MEMBERS' VOLUNTARY LIQUIDATION)**

LIQUIDATORS' REMUNERATION FOR THE PERIOD FROM 29 JUNE 2016 TO 28 JUNE 2017

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h Cost (£)
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration and Planning													
Cashiering and Statutory Filing	0.60	540.00	9.50	6,429.50	1.30	590.00	1.20	411.00	9.90	2,351.50	22.50	10,322.00	458.76
Case Management	6.85	6,315.25	14.40	9,867.00	2.40	1,308.00	0.10	33.50	52.00	14,509.50	75.75	32,033.25	422.88
Initial Actions	-	-	3.00	2,055.00	-	-	-	-	6.70	1,752.00	9.70	3,807.00	392.47
General Reporting	1.90	1,710.00	-	-	-	-	-	-	1.10	357.50	3.00	2,067.50	689.17
	9.35	8,565.25	26.90	18,351.50	3.70	1,898.00	1.30	444.50	69.70	18,970.50	110.95	48,229.75	434.70
Realisation of Assets													
Other Assets (e.g. Stock)	6.10	5,490.00	8.20	5,737.00	-	-	-	-	5.70	1,197.00	20.00	12,424.00	621.20
Property - Freehold and Leasehold	-	-	0.20	140.00	-	-	-	-	-	-	0.20	140.00	700.00
	6.10	5,490.00	8.40	5,877.00	-	-	-	-	5.70	1,197.00	20.20	12,564.00	621.98
Creditors													
Shareholders Unsecured	-	-	5.50	3,850.00	-	-	-	-	18.10	5,882.50	23.60	9,732.50	412.39
	-	-	1.00	685.00	-	-	-	-	-	-	1.00	685.00	685.00
	-	-	6.50	4,535.00	-	-	-	-	18.10	5,882.50	24.60	10,417.50	423.48
Case Specific Matters													
VAT	0.70	616.00	2.10	1,438.50	-	-	-	-	4.70	1,044.50	7.50	3,099.00	413.20
Tax	-	-	6.90	4,812.00	-	-	-	-	5.70	1,714.50	12.60	6,526.50	517.98
	0.70	616.00	9.00	6,250.50	-	-	-	-	10.40	2,759.00	20.10	9,625.50	478.88
TOTAL HOURS & COST	16.15	14,671.25	50.80	35,014.00	3.70	1,898.00	1.30	444.50	103.90	28,809.00	175.85	80,836.75	459.69

AVERAGE RATE/HOUR PER GRADE

£ 908.44

£ 689.25

£ 512.97

£341.92

£ 277.28

FEEES DRAWN

£51,067.89

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