

**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

03543412

Name of Company

Asylum Entertainment UK Limited

I / We
M H Linton FCA FABRP
Brentmead House
Britannia Road
London
N12 9RU

Paul Weber BSc FCCA
Brentmead House
Britannia Road
London
N12 9RU

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 06/10/2011 to 05/10/2012

Signed



Date 30 October 2012

Leigh Adams LLP
Brentmead House
Britannia Road
London
N12 9RU

Ref A1727/MHL/PAW/DC/DCQ

THURSDAY



A04 *A1KS6Q43*

01/11/2012

#279

COMPANIES HOUSE

Asylum Entertainment UK Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

Statement of Affairs		From 06/10/2011 To 05/10/2012
	PROPERTY & LAND	
18,400 00	Rent Deposit	NIL
(40,504 00)	Nellbush Limited	NIL
		NIL
	ASSET REALISATIONS	
15,000 00	Book Debt	NIL
Uncertain	Goodwill/Patents/Royalty Agreement	NIL
NIL	Amount owed by Susidiary Company	NIL
NIL	Development Costs	NIL
	Water Rates Refund	23 77
		23 77
	FLOATING CHARGE CREDITORS	
(38,000 00)	HSBC Bank plc	NIL
		NIL
	UNSECURED CREDITORS	
(414,562 00)	Trade & Expense Creditors	NIL
(60,000 00)	Directors' Loan Accounts	NIL
(800 00)	H M Revenue & Customs - PAYE/NI	NIL
(4,911 00)	H M Revenue & Customs - Corporatio	NIL
(124,313 00)	H M Revenue & Customs - VAT	NIL
(200,000 00)	Shareholder Loans	NIL
		NIL
	DISTRIBUTIONS	
(9,350 00)	Ordinary Shareholders	NIL
(1,019,809 00)	Share Premium Account	NIL
		NIL
(1,878,849 00)		23.77
	REPRESENTED BY	
	Bank 1 - Current	23 77
		23.77


M H Linton FCA FABRP
Joint Liquidator

Asylum Entertainment UK Limited
(In Liquidation)
Supplementary Information

Registered Office / Home Address

Leigh Adams LLP Brentmead House Britannia Road
London N12 9RU

Registered Number

03543412

Appointment Details

First Partner - M H Linton FCA FABRP

Brentmead House

Britannia Road

London

N12 9RU

Appointment Date - 06/10/2011

Second Partner - Paul Weber BSc FCCA

Brentmead House

Britannia Road

London

N12 9RU

Appointment Date - 06/10/2011

Changes to Office Holders

None

Additional Information

Dividends / Distributions / Consigned Funds

Dividend Type	Date	Admitted	Paid	p in £
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No Dividends Paid

Unrealisable Assets

Details of Basis of Remuneration

Statement of Remuneration / Expenses
For period 06/10/2011 to 05/10/2012

Account	Incurred In Period	Accrued In Period For Last Period	Accrued In Period	Total In Period
	0 00	0 00	0 00	0 00



LEIGH ADAMS LLP
CHARTERED ACCOUNTANTS &
LICENSED INSOLVENCY PRACTITIONERS

2nd Floor Brentmead House Britannia Road
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T 020 8446 6767 F 020 8446 6864
E mail@leighadams.co.uk W www.leighadams.co.uk

To the Members and all Known Creditors

Our Ref MHL/dq/A1727/s

30th October 2012

Dear Sir/Madam,

Asylum Entertainment (UK) Limited - In Voluntary Liquidation

This is my report to members and creditors following the end of the first year of the liquidation

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Joint Liquidators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Joint Liquidators' fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

If members or creditors have any queries regarding this report or the conduct of the liquidation in general, they should contact Des Quelch on 020 8446 6767 or by email des@leighadams.co.uk

Yours faithfully,

M H Linton FCA FABRP
Joint Liquidator

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Leigh Adams LLP is a limited liability partnership registered in England and Wales (Company No. 0C332559) and is regulated by the Institute of Chartered Accountants in England and Wales



The Principals of this practice are licensed as Insolvency Practitioners by the Institute of Chartered Accountants in England & Wales



Members
Martin H Linton FCA FABRP MIPA
Paul Weber BSc ACA FCCA MABRP

Asylum Entertainment (UK) Limited – In Voluntary Liquidation
Joint Liquidators' Annual Report to Members and Creditors pursuant to Section 104A (1) (a) of the
Insolvency Act 1986
For the year ending 5th October 2012

STATUTORY INFORMATION

Company Name	Asylum Entertainment (UK) Limited
Registered Office	Brentmead House, Britannia Road, London N12 9RU
Former Registered Office	Cambridge House, 16 High Street, Saffron Walden, Essex CB10 1AX
Company Registered Number	03543412
Joint Liquidators' Names	Martin Henry Linton FCA FABRP & Paul Adam Weber ACA FCCA FABRP
Joint Liquidators' Address	Brentmead House, Britannia Road, London N12 9RU
Joint Liquidators' Date of Appointment	6 th October 2011

RECEIPTS AND PAYMENTS ACCOUNT

A Receipts & Payments Account for the period from 6th October 2011 to 5th October 2012 is enclosed with this report

ASSETS

Rent Deposit

As you may recall from the Statement of Affairs the company had paid a rent deposit of £18,400 to the landlord Nellbush Limited. However, the amount owed to the landlord in respect of unpaid rent was £57,486.36 which was off-set against the rent deposit leaving a balance owed of £39,086.36. As a result the rent deposit proved to be irrecoverable.

Book Debt

In accordance with a Deed of Settlement between the company and P2 Games Limited dated 28th July 2011, should the company comply with its obligations under clause 3, the sum of £12,500 plus VAT would become payable in full and final settlement of the deed by 30th November 2011. To date the company has verified 70% of the data required, but is still to complete matters and therefore the amount payable has not yet been received. Furthermore, following our appointment the matter was passed to P2 Games Solicitors who disputed the debt on technical grounds. As a result and as the former director has not been able to counter the dispute I do not expect the debt to be recovered. I will keep creditors advised of any developments in this matter in future progress reports.

Goodwill/Patents/Royalty Agreement

Prior to our appointment the company had entered into a contract with Southpeak Interactive Limited whereby the company would benefit from royalties payable on distribution sales of a particular game and as a result of perceived breaches of contract in respect of non payment of royalties due, the company had instructed solicitors in this matter. However, after having liaised with the solicitors and the company's former director and having considered the likely prospect of any recovery, it was ultimately decided that as there were no funds available that no further action should be taken in this matter.

Royalty/Licenses

Prior to our appointment, the company entered into an agreement with AEK UK Games Limited whereby it would receive a percentage of new company's turnover for the next three years as follows -

Per Quarter	Amount Payable
£0 - £499,000	0 00%
£500,000 - £1,499,999	1 50%
£1,500,000 - £2,999,999	3 00%
£3,000,000 and over	5 00%

To date the new company's turnover has yet to be verified and I have requested this information I will update creditors of my findings in due course

Water Rates Refund

The sum of £23 77 has been received from Thames Water Utilities Limited representing the closing credit balance of the company's account

LIABILITIES

A Creditors' Claims Summary showing the amounts in the Statement of Affairs and the claims received to date is enclosed

Secured Liabilities

An examination of the company's mortgage register held by the Registrar of Companies showed that the company had granted a fixed and floating charge debenture to HSBC Bank plc dated 27th July 2006

Preferential Creditors

The Statement of Affairs did not anticipate that the company had any preferential creditors I can confirm that no preferential claims have been received in this matter

Crown Creditors

The Statement of Affairs included £130,024 40 owed to HMRC HMRC's final claims of £125,132 19 have been received

Unsecured Creditors

The Statement of Affairs included fifty five unsecured creditors with an estimated total liability of £674,562 40 I have received claims from twenty six creditors at a total of £399,910 70 which includes claims amounting to £93,421 72 from three creditors not included in the original estimated Statement of Affairs To date I have not received claims from thirty three creditors with original estimated claims in the Statement of Affairs of £379,271 06

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

An initial investigation into the company's affairs was undertaken in order to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved There were no matters that justified further investigation in the circumstances of this appointment

Within six months of my appointment as Joint Liquidator, I am required to submit a confidential report to the Secretary of State to include any matters which have come to my attention during the course of my

work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of the company I would confirm that my report has been submitted

PRE-APPOINTMENT REMUNERATION

The board previously authorised the payment of a fee of £6,000 plus VAT for assistance with preparing the Statement of Affairs, producing and circulating the notices for the meetings of members and creditors prior to my appointment at a meeting held on 6th September 2011 The fee for the Statement of Affairs and meetings was paid prior to our appointment by AEUK Games Limited

JOINT LIQUIDATORS' REMUNERATION

Our remuneration was previously authorised by members and creditors at a meeting held on 6th October 2011 to be drawn on a time cost basis Our total time costs to 5th October 2012 amount to £8,074 50, representing 33 80 hours, which have been charged at an average hourly charge out rate of £238 89 To date no remuneration has been drawn in this matter A schedule of my time costs incurred to date is attached as Appendix 1

A description of the routine work undertaken in the liquidation to date is as follows -

1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on IPS
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

2 Cashiering

- Maintaining and managing the Joint Liquidators' cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors
- Maintaining creditor information on IPS
- Reviewing and adjudicating on proofs of debt received from creditors

4 Investigations

- Review and storage of books and records
- Prepare a return pursuant to the Company Directors' Disqualification Act
- Conduct investigations into suspicious transactions
- Review books and records to identify any transactions or actions a Joint Liquidator may take against a third party in order to recover funds for the benefit of creditors

5 Realisation of Assets

- Corresponding with solicitors and attempting to collect the outstanding book debt and goodwill/patents/ royalty agreement
- Liaising with solicitors concerning the company's rent deposit

A copy of 'A Creditors Guide to Liquidators' Fees published by the Association of Business Recovery Professionals and 'A Statement of Insolvency Practice 9 (Revised) together with an explanatory note which shows Leigh Adams LLP's fee policy are available at the link <http://www.leighadams.co.uk/ard/documents.asp?AID=1851&SID=11&FID=34408> Please note that there

are different versions for cases that commenced before or after 6 April 2010 and in this case you should refer to the post-April 2010 version. A hard copy of both the Creditors Guide and my practice's fee policy can be obtained from my office on request

JOINT LIQUIDATORS' EXPENSES

Our expenses to 5th October 2012 amount to £195 61 plus VAT. To date no expenses have been drawn in this matter

The following expenses have been incurred but have not yet been paid -

Type of expense	Amount of expense incurred/accrued to date	Amount still to be paid
Statutory Advertising	£145 61	£145 61
Bordereau	£ 50 00	£ 50 00

The following agents or professional advisors have been utilised in this matter -

Professional Advisor	Nature of Work	Fee Arrangement
Foulds Ingham Associates Ltd	Valuer/Auctioneer	Percentage of realisations
Valens Solicitors	Solicitors	Time costs

The choice of professionals was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. No fees have been charged by the solicitors during the period of this report as insufficient funds have been realised

DIVIDEND PROSPECTS

Floating Charge Creditors

Ordinary Unsecured Creditors

On present information there is little prospect of any dividend being declared to unsecured creditors under the prescribed part

As previously advised, the Company gave a floating charge to HSBC Bank plc on 27th July 2006 and the prescribed part provisions will apply. On the basis of realisations to date, together with estimated future realisations, and after taking into account the costs of the liquidation to date, since the company's net property is less than £10,000, the insolvency legislation does not require me to distribute the prescribed part of the net property to creditors if I think that the costs of distributing the prescribed part would be disproportionate to the benefits to creditors. I am of the view that the costs of distribution would be disproportionate and so will not be making a distribution of the prescribed part of the net property to unsecured creditors

SUMMARY

The liquidation will remain open until the matter of the realization of the outstanding book debt has been completed. Once this issue has been dealt with the liquidation will be finalised and our files will be closed

Should you have any queries regarding this matter please contact Des Quelch on 020 8446 6767 or by email des@leighadams.co.uk



M H Linton FCA FABRP
Joint Liquidator

Asylum Entertainment UK Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments

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NIL	Amount owed by Susidiary Company	NIL	- NIL
NIL	Development Costs	NIL	NIL
	Water Rates Refund	23 77	23 77
		23 77	23 77
	FLOATING CHARGE CREDITORS		
(38,000 00)	HSBC Bank plc	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(414,562 00)	Trade & Expense Creditors	NIL	NIL
(60,000 00)	Directors' Loan Accounts	NIL	NIL
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(4,911 00)	H M Revenue & Customs - Corporatio	NIL	NIL
(124,313 00)	H M Revenue & Customs - VAT	NIL	NIL
(200,000 00)	Shareholder Loans	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(9,350 00)	Ordinary Shareholders	NIL	NIL
(1,019,809 00)	Share Premium Account	NIL	NIL
		NIL	NIL
(1,878,849 00)		23 77	23 77
	REPRESENTED BY		
	Bank 1 - Current		23 77
			23 77

Leigh Adams LLP
Asylum Entertainment UK Limited
Creditor Claims Summary Report

Key	Name	Rep By	S of A £	Claim £	Agreed Claim £
CA01	Alvis Internet Solutions Ltd		10,395 66	10,395 66	10,395 66
CA02	Angel Cleaning Service Ltd		1,095 50	0 00	0 00
CA03	Attractive Entertainment Ltd		50,000 00	50,000 00	50,000 00
CA04	Anthony Kyne		5,402 00	0 00	0 00
CA05	Anthony Smith		1,303 68	1,303 68	1,308 68
CA06	Alan Highfield		1,560 00	0 00	0 00
CB00	Bizas		3,000 00	0 00	0 00
CB01	Blurred Edge Studios		4,390 00	0 00	0 00
CB02	Boiled Frog Gaming Ltd		75,600 00	75,600 00	75,600 00
CB03	BBC Worldwide Ltd		0 00	85,000 00	85,000 00
CC00	Clean Team Cleaning Ltd		1,778 31	1,780 53	1,780 53
CD00	David Mowbray		16,385 00	0 00	0 00
CD01	Different Films Limited		5,909 82	0 00	0 00
CD02	Dan Malone		1,500 00	0 00	0 00
CD03	David Moss		2,080 00	0 00	0 00
CD04	Npower		124 47	0 00	0 00
CE00	E4e Business Solutions Europe Limited		29,268 83	0 00	0 00
CE01	Easynet Ltd		0 00	429 36	429 36
CF00	Fink Creative Ltd		1,157 38	1,157 38	1,157 38
CF01	Future Publishing Limited		791 17	792 17	792 17
CG00	G N Stewart		1,260 00	0 00	0 00
CH00	HM Revenue & Customs		0 00	0 00	0 00
CH01	H M Revenue & Customs - VAT		124,313 28	118,925 19	118,925 19
CH02	H M Revenue & Customs - Corporation Tax		4,911 12	0 00	0 00
CH03	H M Revenue & Customs - PAYE/NI		800 00	0 00	0 00
CH04	HM Revenue & Customs		0 00	0 00	0 00
CH05	Hobeka		1,047 50	0 00	0 00
CH06	HPN Associates Limited		30,710 41	30,710 41	30,710 41
CH07	HSBC Bank plc		38,000 00	0 00	0 00
CH08	John Huysmans		30,000 00	0 00	0 00
CI00	Isago Fukuda		13,298 00	0 00	0 00
CI01	Inpsired Expression		400 00	0 00	0 00
CI02	Islington Council		13,501 87	26,670 63	26,670 63
CI03	Idaq Limited (FAO Mark Roebuck)		0 00	0 00	0 00
CI04	Inland Revenue		0 00	6,207 00	6,207 00
CJ00	Jake Denton		6,640 00	6,640 00	6,640 00
CJ01	John Eaglesham		400 00	0 00	0 00
CJ02	Jon Hare		3,525 00	0 00	0 00
CJ03	JDGP Freelance - Jonathan Pearson		658 00	658 00	658 00
CJ04	Jake May		3,776 00	0 00	0 00
CJ05	James McLean net		1,152 00	0 00	0 00
CJ06	Jennifer Yip		2,134 60	0 00	0 00
CK00	Kazoo Communications Ltd		12,899 55	12,899 55	12,899 55
CL00	London Borough of Islington		0 00	7,992 36	7,992 36
CM00	Mark McGill		3,300 00	3,300 00	3,300 00
CM01	M F Ltd		130,000 00	0 00	0 00
CM02	Bruce Moffett		11,000 00	11,000 00	11,000 00
CN00	Nellbush Limited		22,103 56	39,086 36	39,086 36
CP00	Paul Helman		2,520 00	2,520 00	2,520 00
CR00	Ringtail Studios Ltd (FAO Anton Iljin)		5,240 00	5,240 00	5,240 00
CR01	Rubicon Mobile Ltd t/ Rubicon		38,561 54	36,762 20	36,762 20

Leigh Adams LLP
Asylum Entertainment UK Limited
Creditor Claims Summary Report

Key	Name	Rep By	S of A £	Claim £	Agreed Claim £
CS00	Steven Ellis		5,006 75	5,006 75	5,006 75
CS01	Sarah Hennings		2,075 00	0 00	0 00
CS02	Stephen Baskerville		3,800 00	3,800 00	3,800 00
CS03	Sarah Jones		4,174 00	3,999 00	3,999 00
CS04	Sam Kent- Smith		3,100 00	0 00	0 00
CS05	Susana Sambade		9,870 00	0 00	0 00
CS06	Sheridans Solicitors		9,532 12	9,532 12	9,532 12
CS07	Stephen Venezia		2,500 00	0 00	0 00
CS08	Sandor Hatvany		50,000 00	0 00	0 00
CS09	Stefan Hatvany		20,000 00	0 00	0 00
CS0A	Simon Bailey		30,000 00	0 00	0 00
CT00	Tony Bailey		6,720 90	6,720 90	6,720 90
CT01	Tayler Bradshaw		892 25	0 00	0 00
CT02	Testronic Laboratories Ltd		2,365 12	0 00	0 00
CU00	Universally Speaking Ltd		615 97	0 00	0 00
CV00	Virtual Internet UK Ltd		144 00	0 00	0 00
67 Entries Totalling			864,690.36	564,129.25	564,134.25

Asylum Entertainment UK Limited – In Voluntary Liquidation

05.10.12

APPENDIX 1

TIME CHARGE OUT SUMMARY

HOURS

Classification of work function	Partner	Manager	Investigator	Administrator	Support	Total Hours	Time Costs £	Average Hourly Rate £
Admin and Planning	14.20	8.50	0.00	0.00	3.50	26.20	6,700.00	255.73
Investigations	1.10	0.20	0.00	0.00	0.00	1.30	442.50	340.38
Realisation of Assets	0.10	0.80	0.00	0.00	0.00	0.90	200.00	222.22
Creditors	0.00	1.50	0.00	0.00	3.90	5.40	732.00	135.56
Trading	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Hours	15.40	11.00	0.00	0.00	7.40	33.80		
Total Costs	5,022.50	2,200.00	0.00	0.00	852.00		8,074.50	
Total Fees Claimed (£)	0.00	0.00	0.00	0.00	0.00		0.00	

CURRENT CHARGE OUT RATE OF INSOLVENCY TEAM MEMBERS

£

Partner	120 - 400
Manager	200
Support	120

There may be a number of promotions through the various grades during the period of the administration.

It is the policy of the firm to account for secretarial staff as an overhead cost. Overhead costs are reflected in the charge out rates detailed.