

LIQ03

Notice of progress report in voluntary winding up



Companies House

For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 9 4 8 3 2 5 2

Company name in full Mrs Wordsmith Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Liquidator's name

Full forename(s) Anthony Malcolm

Surname Cork

3 Liquidator's address

Building name/number Cork Gully LLP

Street 6 Snow Hill

Post town London

County/Region

Postcode E C 1 A 2 A Y

Country United Kingdom

4 Liquidator's name ①

Full forename(s) Stephen Robert

Surname Cork

① Other liquidator

Use this section to tell us about
another liquidator.

5 Liquidator's address ②

Building name/number Cork Gully LLP

Street 6 Snow Hill

Post town London

County/Region

Postcode E C 1 A 2 A Y

Country United Kingdom

② Other liquidator

Use this section to tell us about
another liquidator.

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6

Period of progress report

From date

^d0^d6^m0^m9^y2^y0^y2^y2

To date

^d0^d5^m0^m9^y2^y0^y2^y3

7

Progress report


☒ The progress report is attached

8

Sign and date

Liquidator's signature

Signature

X 

X

Signature date

^d0^d3^m1^m1^y2^y0^y2^y3

LIQ03

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Presenter information

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

Contact name Samuel Warlow

Company name Cork Gully LLP

Address 6 Snow Hill

Post town London

County/Region

Postcode EC1A 2AY

Country United Kingdom

DX

Telephone 020 7268 2150



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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

Cork Gully

TO ALL KNOWN MEMBERS & CREDITORS

Our ref: WOR003/AMC/SRC/MS/SW/AM

Cork Gully LLP

6 Snow Hill, London EC1A 2AY

T +44 (0)20 7268 2150

F +44 (0)20 7002 7788

corkgully.com

3 November 2023

Dear Sir/Madam

Mrs Wordsmith Limited – In Creditors’ Voluntary Liquidation (“the Company”)
Company Number: 09483252

Joint Liquidators’ Annual Report

Anthony Cork and Stephen Cork were appointed as Joint Liquidators (“the Joint Liquidators”) of the Company on 6 September 2021, following their appointment as Administrators on 5 March 2021. This report is addressed to the members and creditors of the Company and forms their second annual report in the Liquidation. This report is a statutory requirement as part of the Liquidation process and contains important information for members and creditors covering the period from 6 September 2022 to 5 September 2023 (“the Period”).

Cork Gully LLP uses personal information in order to fulfill the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also fulfil the legitimate interest of keeping creditors and others informed about the insolvency proceedings. The privacy statement, which explains how Cork Gully LLP process personal data, can be accessed at: <http://corkgully.com/wp-content/uploads/2022/12/GDPR-Privacy-note-September-2022.pdf>.

1. Statutory Information

The Company’s statutory information is shown at Appendix I.

2. Joint Liquidators’ Actions in the Period

The Joint Liquidators have complied with all statutory and regulatory requirements in the Period and have continued to ensure that the case progresses in line with the overarching strategy in investigating the affairs of the Company and realising any assets for the benefit of creditors. The main tasks undertaken in the Period are summarised as follows:

- Ensuring all expenses of the Liquidation have been settled, and all other affairs and business of the Liquidation have been finalised;
- Issuing an annual report to members and creditors in November 2022;
- Reviewing the Company’s records to ensure that all possible assets have been realised;
- Liaising with Marriott Harrison LLP (“Marriott”) regarding any additional consideration which might have been due within two years of the transaction on 5 March 2021 if the Purchasers disposed of all, or a substantial part, of the business.
- Lodging VAT and Corporation Tax returns with HMRC and lengthy correspondence when seeking tax clearance from HMRC.

Partners and Directors act as insolvency practitioners without personal liability. Anthony Cork and Stephen Cork are licensed to act as insolvency practitioners in the United Kingdom by the Institute of Chartered Accountants in England and Wales and are bound by the Insolvency Code of Ethics.

Cork Gully LLP is a limited liability partnership registered in England and Wales with number OC357274 whose registered office is at 6 Snow Hill, London EC1A 2AY. The term partner is used by the firm to refer to a member, employee or consultant with equivalent standing and qualifications. A list of members and their professional qualifications is open to inspection at the registered office and the above address. Cork Gully (Holdings) Limited is a member of Cork Gully LLP, that owns a group of associated firms. Cork Gully (Holdings) Limited provides no client services. Such services are only provided by its associated firms. Cork Gully (Holdings) Limited and each of its associated firms are separate legal entities, and are liable for their own acts or omissions and not those of each other. The “Cork Gully” brand name and the term “firm” are used to refer to Cork Gully LLP, its associated firms, companies, or their offices. Further information about the firm can be found at corkgully.com.

In addition to the above, there is certain work that I am required to undertake by insolvency legislation and best practice that provides no financial benefit for the creditors. Further information about our remuneration can be found at section 8 of this report.

3. Receipts and Payments Account

A summary of the Joint Liquidators' receipts and payments for the Period is attached at Appendix II.

Funds have been held in an interest-bearing deposit account until recently, where they were moved to a non-interest-bearing account so that the interest income could be finalised for the purposes of preparing final Corporation Tax returns.

All receipts and payments are shown net of VAT.

– Receipts

The receipts during the Period total £19.44 representing bank interest earned.

– Payments

The payments during the Period total £3,411.00 and are as follows:

- the Purchasers paid £6,726.41 as a contribution towards the Joint Liquidators costs in relation to signing various documents to novate the Company's contracts to the Purchasers. £882.00 of this contribution was drawn in the Period.
- legal fees of £1,379.00 have been paid to Marriott, for legal advice during the Liquidation;
- £1,150.00 was paid to Buzzacott LLP ("Buzzacott") in the Period for work undertaken amending the Company's Corporation Tax return.

4. Asset Realisations

As noted in previous reports, the former Joint Administrators effected a pre-packaged sale of the Company's business, certain assets and the shares in the Denmark Subsidiary to Hatch House Games Limited ("HHGL") and Hatch House IP Limited ("HHIL") (together "the Purchasers").

During the Liquidation, deferred consideration of £66,833.20 was received from HHGL. The deferred consideration is defined as an amount equal to 10% of the total net sales revenue of the Purchasers for the period of 12 months following the Completion Date, being 5 March 2022.

Creditors should note that additional consideration would have been due if within two years of the transaction on 5 March 2021 the Purchasers disposed of all, or a substantial part, of the business.

This period has now expired and as the Purchasers have not disposed of the business there were no additional realisations in this regard.

5. Liabilities

– Secured Creditors

There are no secured creditors in this matter.

– Preferential Creditors

As detailed in the Joint Administrators' report, dated 3 September 2021, all preferential claims were dealt with during the Administration, as such no further preferential claims are anticipated.

– Prescribed Part

There are provisions within insolvency legislation that require a Liquidator to set aside a percentage of a company's floating charge assets for the benefit of the unsecured creditors in cases where the company gave a floating charge over its assets to a lender on or after 15 September 2003. This is known as the 'prescribed part of the net property'.

As there are no floating charges registered over the assets of the Company, the prescribed part will not apply.

– **Unsecured Creditors**

The Joint Liquidators admitted 32 unsecured claims to rank for dividend amounting to £3,110,228. For information in relation to dividends paid to unsecured creditors, please see Section 6 of this report.

6. Dividends

A dividend of approximately 6p in the £ was declared and paid to non-preferential unsecured creditors on 8 February 2021. The total amount of this distribution was £186,613.65 in relation to the admitted claims in the Liquidation.

The Joint Liquidators currently anticipate that a second and final dividend of approximately 1.46p in the £ will be payable to creditors subject to any further claims being received. A Notice of Intended Dividend will be sent shortly to all non-preferential unsecured creditors who have not previously made a claim in the Liquidation.

7. Investigations into the Affairs of the Company

As previously reported, extensive work was undertaken in relation to investigating the quantum and recoverability of a Director Loan Account, as well as the two intercompany loans to the Danish subsidiary. Ultimately it was determined there would be no benefit to the Company creditors to continue to pursue these outstanding balances. Furthermore, we identified no additional matters that justified further investigation in the circumstances of this appointment.

Within three months of appointment, the former Joint Administrators submitted a confidential report to the Secretary of State to include any matters that came to their attention during the course of their work.

8. Joint Liquidators' Remuneration

On 29 April 2021, it was resolved that the Joint Administrators' remuneration be approved on a fixed fee basis of £95,000 (plus disbursements and VAT) for the Administration and this subsequent Creditors' Voluntary Liquidation. This amount had been drawn in full in the Administration period.

The Joint Liquidators wrote to all known creditors on 3 May 2022 requesting that the fixed fee be increased to £173,000, excluding VAT, representing an increase of £78,000 on the previously agreed fixed fee. The increase was on the basis of additional work undertaken which was not originally envisaged and the report to creditors provided additional details of this.

The proposed increase in Joint Liquidators' remuneration was subsequently agreed by way of a creditors' decision procedure on 18 May 2022. As such, the Joint Liquidators have drawn an additional remuneration £78,000 plus VAT in the Liquidation.

A description of the work undertaken during the Period is as follows:

– **Administration and Planning**

- Maintaining electronic case files and case details on the Insolvency Practitioners System case management software;
- Dealing with all routine correspondence and emails relating to the case;
- Maintaining and managing the estate bank account;
- Undertaking regular reconciliations of the bank account containing estate funds;
- Reviewing the adequacy of the specific penalty bond on a routine basis;
- Undertaking periodic reviews of the progress of the case;
- Overseeing and controlling the work done on the case by the Joint Liquidators;
- Preparing and filing taxation returns, liaising with HM Revenue & Customs regarding Corporation Tax, VAT and PAYE and seeking tax clearance; and
- Preparing, reviewing and issuing statutory reports to members and creditors.

– **Realisation of Assets**

- Ongoing assistance to the Purchasers to discharge continuing obligations under the sale agreement and negotiations for the funding of the services provided; and

- Liaising with professional advisers and the Purchasers to assess the likelihood of further realisations falling due under the sale agreement.
- **Creditors**
- Maintaining up to date creditor information on the case management system;
- Dealing with creditor enquiries and correspondence;

Creditors should also note that there is work that Joint Liquidators are required to undertake in order to meet the requirements of insolvency legislation and the Statements of Insolvency Practice. Some of this additional work does not give direct financial benefit to the creditors, but has to be undertaken in order to meet these requirements.

In accordance with the Statement of Insolvency Practice 9, information which explains the ways in which an Liquidator may be remunerated and sets out the information that should be available to creditors before they are asked to consider a resolution to approve remuneration, called “A Guide for Creditors on Insolvency Practitioner Fees”, is available at: <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29114/page/1/liquidation-a-guide-for-creditors-on-insolvency-practitioner-fees/>.

Further information about creditors’ rights can be obtained by visiting the creditors’ information microsite published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

The Joint Liquidators have also provided further details in the practice fee recovery policy for Cork Gully LLP which can be found at <http://corkgully.com/wp-content/uploads/2023/03/Practice-Fee-Recovery-February-2023.pdf>

9. Joint Liquidators’ Expenses

Expenses are any payments from the estate which are neither an office holder’s remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office holder and then reimbursed to the office holder from the estate. Expenses are split into:

- Category 1 expenses, which are payments to persons providing the service to which the expense relates who are not an associate of the office holder; and
- Category 2 expenses, which are payments to associates or which have an element of shared costs. Before being paid category 2 expenses require approval in the same manner as an office holder’s remuneration. The Joint Liquidators are not seeking to charge or recover any category 2 disbursements incurred in respect of work undertaken on this assignment.

9.1. Category 1 Expenses

During the Period, no Category 1 expenses were incurred.

9.2. Professional Fees

Buzzacott were engaged to provide tax advice, prepare the relevant computations and Corporation Tax returns on behalf of the Company. An amended Corporation Tax return was prepared in the previous Period in respect of the deferred consideration. They were paid £1,150 (excluding VAT) in the Period.

Marriott were engaged to provide legal advice in respect of the sale of the Company’s assets, during the Period, they were paid £1,379.00 (excluding VAT).

The choice of professionals has been based on the Joint Liquidators’ perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement. The fees charged have been reviewed and the Joint Liquidators are satisfied that they are reasonable in the circumstances of this case.

10. 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 their 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 unsecured creditors (including the creditor in question), apply to Court to challenge the amount of remuneration charged by the Joint Liquidators as being excessive, and/or the basis of the Joint Liquidators' remuneration, and/or the amount of the expenses incurred as being excessive, within 8 weeks of their receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

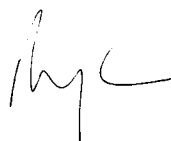
To comply with the Provision of Services Regulations, some general information about Cork Gully LLP, including about our complaints policy and Professional Indemnity Insurance, can be found at: <http://corkgully.com/wp-content/uploads/2022/12/Provision-of-Services-Regulations-Summary-September-2022-002.pdf>

11. Summary

The Joint Liquidators will continue to complete all statutory requirements pertaining to the Liquidation and anticipate that the Liquidation will remain open until the second distribution to unsecured creditors has been declared. After these matters have been concluded, the Joint Liquidators will prepare for the closure of the Liquidation.

If you have any queries regarding this report, or the Liquidation in general, then please contact Samuel Warlow by email at samuelwarlow@corkgully.com, or by phone on 0207 268 2150.

Yours faithfully



Anthony Malcolm Cork
Joint Liquidator

Appendix I – Statutory Information

Company name: Mrs Wordsmith Limited

Company number: 09483252

Date of incorporation: 11 March 2015

Registered office: c/o Cork Gully LLP, 6 Snow Hill, London EC1A 2AY

Former trading address: Unit 201
The Shepherd's Building
Charecroft Way
London
W14 0EE

Principal trading activity: 58190 - Other Publishing Activities

Appointment Details

Date of appointment: 6 September 2021 (formerly in Administration)

Liquidators appointed: Stephen Robert Cork and Anthony Malcolm Cork of Cork Gully LLP

Directors:	Appointed	Resigned	Shareholding
Basma Alireza	20 April 2017	-	7.84%
Alex Dale	24 April 2020	-	4.91%
Sofia Fenichell	11 March 2015	-	20.84%
Ben Legg	24 April 2020	-	0.50%
Leila Di Monterubello	20 April 2027	-	None
David Lin	14 March 2018	-	None

Share Capital

37,116,751 shares at 0.00p to 0.84p. Total called up capital £13,118,390

Appendix II – Joint Liquidators’ Receipts and Payments Account

	From 06/09/2021 to 05/09/2022 (£)	From 06/09/2022 to 05/09/2023 (£)	Total (£)
Receipts			
Deferred Consideration	66,833.20	0.00	66,833.20
Transfer of Funds from Administration	249,298.84	0.00	249,298.84
Transfer of VAT from Administration	3,581.50	0.00	3,581.50
Contribution to Costs from the Purchasers	6,726.41	0.00	6,726.41
Bank Interest Gross	14.37	20.18	33.81
	328,130.95	20.18	326,473.76
Payments			
Bank Charges	(120.00)	0.00	(120.00)
Fees for Assisting the Purchasers	(5,844.41)	(882.00)	(6,726.41)
Legal Fees	0.00	(1,379.00)	(1,379.00)
Office Holders Fees	(78,000.00)	0.00	(78,000.00)
Professional Fees	(6,550.00)	(1,150.00)	(7,700.00)
Statutory Advertising	(179.82)	0.00	(179.82)
	(90,694.23)	(3,411.00)	(94,105.23)
Distributions to Creditors			
Unsecured Creditors – Interim Dividend (32 creditors totalling £3,110,227.58 received approximately 6p in the £)	(186,613.65)	0.00	(186,613.65)
	(186,613.65)	0.00	(186,613.65)
Balance	49,146.44	(3,391.56)	45,754.88