

Rule 4.223-CVL The Insolvency Act 1986

S. 192

Liquidator's Statement of
Receipts and Payments

Pursuant to Section 192 of the
Insolvency Act 1986

To the Registrar of Companies

For official use

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Company Number

3772391

(a) Insert full name
of company

Name of Company

(a) EUROCASH CORPORATION
Limited

(b) Insert full name(s) I/We (b)
and address(es)

**Stephen Gordon Franklin,
Olympia House
Armitage Road,
London, NW11 8RQ.**

The liquidator (s) of the company attach a copy of my/our statement of
Receipts and Payments under Section 192 of the Insolvency Act 1986

Signed

[Handwritten Signature]

Date

18/08/11

Presenter's name,
address and reference
(if any)

PANOS ELIADES, FRANKLIN & CO ,
OLYMPIA HOUSE, ARMITAGE ROAD
LONDON NW11 8RQ

SATURDAY



A25

20/08/2011

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COMPANIES HOUSE

EUROCASH CORPORATION LIMITED – IN LIQUIDATION

**LIQUIDATOR'S REPORT PURSUANT TO SECTION 105 OF THE
INSOLVENCY ACT 1986 AND RULE 4.49B INSOLVENCY RULES 1986**

My report in respect of the year to 24th June 2011 pursuant to Insolvency Rule 4.49B is as follows

Attached is a summary of my receipts and payments for the first year of the Liquidation, on which I would comment as follows -

(a) **Debtors:** The Book Value was £2,452,489, comprising £1,347,891 due from Accordance Limited and £1,104,598 which represented commission due to the Company

(i) Accordance Limited Following commencement of legal proceedings, a Tomlin Order was made on 6th May 2010. The Order required Accordance Limited to pay £1.2 million to the Company over a five-year period. The first two payments, totalling £72,000, were received in June and September 2010 and are reflected in the summary. However, Accordance Limited was encountering financial difficulties and was subsequently placed into Administration on 3rd December 2010. It is unlikely that any further realisation will be forthcoming.

(ii) Commission Historically, Clients were invoiced for commission simultaneously with VAT repayments being received by the Company, and the commission deducted by the Company from the repayments. The sum of £1,104,598 represented commission due to the Company as at the date of cessation of trading on Clients' claims which were still pending. Since commencement of the Liquidation, some of those claims have been rejected by the tax authorities and some Clients have themselves gone into Liquidation.

A substantial number of the Clients are also creditors of the Company. Therefore any commission payable on refunds received prior to Liquidation would have been offset against amounts due to Clients.

The present position is that the approximate value of claims currently pending with various tax authorities is £400,000 - £500,000. There is potentially between £80,000 - £100,000 commission payable on these claims. This is obviously subject to the possibility that claims may still be rejected either partially or wholly by the tax authorities concerned.

(b) **Work-in-Progress:** The Book Value figure was £3,435,625 comprising

(i) 4x Currency Corporation Plc - £2,119,693 and 4x Solutions Ltd - £207,759. 4x Currency Corporation Plc is a former subsidiary and 4x Solutions Ltd is connected, and these sums represent loans by the Company. In order to ensure that repayment would be effected, the loans were "converted" to royalty obligations and repayment was agreed to be over a period of three years which commenced in January 2011. Royalty payments are due on a quarterly basis and the sum of £1,398 was received in May 2011.

(ii) Commissions As mentioned in the Trading History accompanying my initial circular, the Company undertook cross-border VAT recovery for clients on a no recovery-no fee commission basis. The figure reflected in the enclosed summary relates to commissions charged to clients on VAT claims paid since the commencement of the Liquidation. Estimated realisations in respect of Work-in-Progress were shown in the Statement of Affairs as uncertain as it was and remains impossible to predict the level of future VAT recoveries.

(c) **Cash at Bank:** The realisation corresponded with the Statement of Affairs figure.

(d) **Refunds:** Although not reflected in the Statement of Affairs, refunds were due to the Company in respect of Business Rates and Telephone Charges.

- (e) **Liquidator's Remuneration:** One of the resolutions passed at the meeting of Creditors held on 25th June 2010 was that my remuneration as Liquidator be calculated on the basis of my firm's time costs and drawn as and when considered appropriate. The sum of £10,000 relates to time costs totalling £37,685.50 (excluding VAT) in respect of the year to 24th June 2011 as shown in the summary of time costs also enclosed. Additionally enclosed are guidance notes issued by my professional body regarding Liquidators' fees and a statement of right to request information pursuant to Insolvency Rule 4.49E.
- (f) **Salaries and Supplier Payments:** It was and remains necessary to utilise the services of various key members of the Company's staff in order to ensure continuity of the claims lodged with overseas tax authorities, and to maintain certain services, including telephone lines, IT and email accounts and franking machine charges.
- (g) **Recovery Services:** Focus Management Services Limited, a company connected by the common directorship of Martyn Redman, has been retained to assist with the processing of ongoing claims, including liaising with all overseas agents and tax authorities.
- (h) **Overseas Agents' Charges:** The Company used the services of various overseas tax agents in order to assist with submitting and processing clients' claims with overseas tax authorities. The continuing services of those agents have been required in order to facilitate the processing of ongoing claims. A substantial proportion, the sum of £6,797.37, was due prior to the commencement of the Liquidation but paid to one agent in order to preserve and maintain 63 bank accounts on behalf of the Company. These bank accounts are registered with various overseas tax authorities and are the medium through which a substantial proportion of clients' claims are paid.
- (i) **Storage of Company Records:** It is necessary to retain the Company's records in their entirety in order to process ongoing VAT claims.
- (j) **Internet Service Charges:** These charges relate to maintenance of the Company's email addresses.

The costs associated with Work-in-Progress realisations shown in the summary partly relate to commissions payable to the Company which were not paid during the year. The amount of commission concerned, £47,634, was received on 11th August. The summary is in all other respects self-explanatory.

My investigations within the ambit of Statement of Insolvency Practice 2 have not revealed any other basis of realisation nor any other matters to be conveyed in this report. An appropriate report on the Directors' conduct has been submitted to the Department for Business, Innovation & Skills' Disqualification Unit.

The continuing conduct of the Liquidation is essentially concerned with the realisation of the sums due from 4x Currency Corporation Limited and 4x Solutions Limited and in respect of Work-in-Progress. It is apparent that there will be a dividend for Unsecured Non-Preferential Creditors at some point in the future but given the uncertainties regarding the level of future realisations, I cannot presently give any clear indication of the rate and timing of the dividend. Creditors who have not yet submitted a claim are advised to do so.



STEPHEN FRANKLIN
LIQUIDATOR
18th August 2011

EUROCASH CORPORATION LIMITED – IN LIQUIDATION
SUMMARY OF LIQUIDATOR'S RECEIPTS AND PAYMENTS
FOR THE YEAR TO 24TH JUNE 2011

<u>RECEIPTS</u>	Estimated to realise per Statement of Affairs	
	£	£
Fixtures, Fittings and Equipment	3,000	Nil
Debtors	Uncertain	73,844.00
Work-in-Progress	Uncertain	65,824.80
Cash at Bank	47,956	47,956.00
Refunds		
Business Rates		1,565.70
Telephone Charges		6.20
Deposit Interest		110.14
VAT Repaid		4,263.43
	<u>£50,956</u>	<u>£193,570.27</u>

<u>PAYMENTS</u>		£
Liquidator's Remuneration		10,000.00
Salaries		23,669.33
Recovery Services		20,218.60
Overseas Agents' Charges		12,269.12
Supplier Payments		6,047.80
Storage of Company's Records		2,640.00
Liquidator's Disbursements:		
Statutory Advertising		265.84
Bond		330.00
Expenses re. Meeting		141.30
Maintenance of Company Email Address		475.00
Cost re. Preparation of VAT Return		225.00
Bank Charges		180.00
VAT Paid		6,012.58
		<u>£82,474.57</u>

<u>BALANCE IN HAND</u>		
Bank – Current Account		<u>£111,095.70</u>