

Rule 4.49C

Liquidator's Progress Report**S.192****Pursuant to Section 92A, 104 and 192 of the
Insolvency Act 1986**

To the Registrar of Companies

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 Progress Report
under Section 192 of the Insolvency Act 1986The Progress Report covers the period from 25th June 2011
to 24th June 2012

Signed

Date

3/8/12

Presenter's name,
address and reference
(if any)**PANOS ELIADES, FRANKLIN & CO ,
OLYMPIA HOUSE, ARMITAGE ROAD
LONDON, NW11 8RQ**

SATURDAY



A1EKUWR5

A34

04/08/2012

#155

COMPANIES HOUSE

EUROCASH CORPORATION LIMITED – IN LIQUIDATION

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

My report in respect of the year from 25th June 2011 to 24th June 2012 pursuant to Insolvency Rule 4 49C is as follows

Attached is a summary of my receipts and payments for the period up to the second anniversary of the commencement 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 subsequently placed into Administration on 3rd December 2010 Originally, it was considered unlikely that any further realisation would be forthcoming but the realisations of £34,529 89 include £21,967 65 as a dividend from the Liquidation of Accordance Limited which followed the conclusion of the Administration

(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

My previous report made reference to the approximate value of claims which were pending with various tax authorities at that time totalling £400,000 - £500,000 It was anticipated that between £80,000 - £100,000 commission was potentially payable to the Company The present position is that the majority of these claims have now been finalised and the commission due of £111,240 17 is reflected in the summary as part of realisations in respect of Work-in-Progress The remaining claims still pending with the various tax authorities have been assigned back to the Clients as these are no longer cost-effective to pursue

(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 £5,922 98 has been received to date

- (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 impossible at the time 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 £57,600 relates to time costs totalling £72,806.05 (excluding VAT) in respect of the period to 24th June 2012.
- (f) **Salaries and Supplier Payments:** It was 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, was retained to assist with the processing of ongoing VAT claims, including liaising with 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/Destruction of Company Records:** It was necessary to retain the Company's records in their entirety in order to process ongoing VAT claims. That is no longer the case and certain of those records have been destroyed.
- (j) **Internet Service Charges:** These charges related to maintenance of the Company's email addresses.

The summary is in all other respects self explanatory.

My investigations within the ambit of Statement of Insolvency Practice 2, which have entailed an examination of the Company's records and all other relevant information and consideration of all relevant issues, 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.


STEPHEN FRANKLIN - LIQUIDATOR
3rd August 2012

EUROCASH CORPORATION LIMITED
SUMMARY OF LIQUIDATOR'S RECEIPTS AND PAYMENTS
FOR THE PERIOD TO 24TH JUNE 2012

	Estimated to realise per Statement of <u>Affairs</u>	Year to <u>24.06.2011</u>	Year to <u>24.06.2012</u>	<u>Total</u>
	£	£	£	£
<u>RECEIPTS</u>				Nil
Fixtures, Fittings and Equipment	3,000	-	-	
Debtors	Uncertain	73,398.00	28,606.91	102,004.91
Work-in-Progress	Uncertain	65,824.80	117,163.15	182,987.95
Cash at Bank	47,956	47,956.00	331.43	48,287.43
Refunds				
Business Rates		1,565.70	-	1,565.70
Telephone Charges		6.20	-	6.20
Deposit Interest		110.14	96.06	206.20
VAT Repaid		4,263.43	15,090.64	19,354.07
	<u>£50,956</u>	<u>£193,124.27</u>	<u>£161,288.19</u>	<u>£354,412.46</u>

	£	£	£
<u>PAYMENTS</u>			
Liquidator's Remuneration	10,000.00	47,600.00	57,600.00
Salaries	23,669.33	17,945.34	41,614.67
Recovery Services	20,218.60	4,348.32	24,566.92
Overseas Agents' Charges	12,269.12	6,582.62	18,851.74
Supplier Payments	6,047.80	-	6,047.80
Records – Storage, Removal and Destruction	2,640.00	6,460.00	9,100.00
Liquidator's Disbursements:			
Statutory Advertising	265.84	-	265.84
Bond	330.00	150.00	480.00
Expenses re. Meeting	141.30	-	141.30
Postage	-	5.98	5.98
Internet Service Charges	475.00	-	475.00
Courier Charges	-	252.28	252.28
Cost re. Preparation of VAT Return	225.00	-	225.00
Bank Charges	180.00	135.00	315.00
Corporation Tax on Deposit Interest	-	22.00	22.00
VAT Paid	6,012.58	13,341.49	19,354.07
	<u>£82,474.57</u>	<u>£96,843.03</u>	<u>£179,317.60</u>

BALANCE IN HAND

Cash at Bank £175,094.86