

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

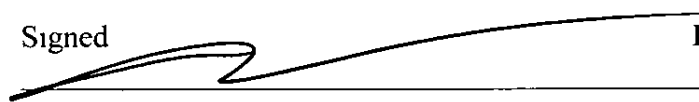
(b) Insert full name(s) I/We (b)
and address(es)

**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 1986.

The Progress Report covers the period from 25th June 2012
to 24th June 2013

Signed



Date

25/7/13

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

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

MONDAY



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29/07/2013

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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 4.49C INSOLVENCY RULES 1986**

My report in respect of the year from 25th June 2012 to 24th June 2013 pursuant to Insolvency Rule 4.49C is as follows

Attached is a summary of my receipts and payments for the period up to the third 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 encountered financial difficulties and was subsequently placed into Administration on 3rd December 2010. Originally, it was considered unlikely that any further realisation would be forthcoming but the realisations 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 reports 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. These claims have been finalised and final commission due of £21,877.51 is reflected in the summary as part of realisations in respect of Work-in-Progress. Some of the claims which were pending with the various tax authorities were passed back to the Clients as these were no longer cost-effective to pursue.

Additional Debtor realisations of £13,334.83 include £10,000 from the 4x entities referred to below and commission due to the Company from historic claims. No further realisations are anticipated.

(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 were due on a quarterly basis and as at 4th September 2012 the sum of £9,257.81 had been received.

It became apparent that the 4x entities had not performed as originally expected and there was no reason to anticipate that that position would improve in any substantial way during the remainder of the royalty agreement. Therefore, a sum of £10,000 was agreed as a commutation of future royalties in order to avoid protraction of the Liquidation.

- (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 £97,600 relates to time costs totalling £108,000.00 (excluding VAT) in respect of the period to 24th June 2013.
- (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 had 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 were registered with various overseas tax authorities and was the medium through which a substantial proportion of clients' claims were paid.
- (i) **Storage/Destruction of Company Records:** It was originally 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.

During a review of the Company's bank account statements issued post-liquidation, it became apparent that bank charges had been debited which were not attributable to the Company. An application for repayment has been made. The continuing conduct of the Liquidation is essentially concerned with the repayment of those bank charges and the agreement of unsecured non-preferential claims as it is apparent that there will be a dividend for Unsecured Non-Preferential Creditors.



STEPHEN FRANKLIN
LIQUIDATOR
25th July 2013

EUROCASH CORPORATION LIMITED
SUMMARY OF LIQUIDATOR'S RECEIPTS AND PAYMENTS
FOR THE PERIOD TO 24TH JUNE 2013

	Estimated to realise per Statement of <u>Affairs</u>	Period to <u>24.06.2012</u>	Year to <u>24.06.2013</u>	<u>Total</u>
	£	£	£	£
<u>RECEIPTS</u>				
Fixtures, Fittings and Equipment	3,000	-	-	Nil
Debtors	Uncertain	102,004.91	13,334.83	115,339.74
Work-in-Progress	Uncertain	182,987.95	21,877.51	204,865.46
Cash at Bank	47,956	48,287.43	-	48,287.43
Refunds				
Business Rates		1,565.70	-	1,565.70
Telephone Charges		6.20	-	6.20
Deposit Interest		206.20	194.89	401.09
VAT Repaid		19,354.07	10,871.13	30,225.20
	<u>£50,956</u>	<u>£354,412.46</u>	<u>£46,278.36</u>	<u>£400,690.82</u>

	£	£	£
<u>PAYMENTS</u>			
Liquidator's Remuneration	57,600.00	40,000.00	97,600.00
Salaries	41,614.67	5,000.00	46,614.67
Recovery Services	27,149.97	17,226.80	44,376.77
Overseas Agents' Charges	18,851.74	413.66	19,265.40
Records – Storage, Removal and Destruction	9,100.00	763.30	9,863.30
Supplier Payments	6,047.80	-	6,047.80
Liquidator's Disbursements:			
Statutory Advertising	265.84	-	265.84
Bond	480.00	96.00	576.00
Expenses re. Meeting	141.30	-	141.30
Postage	5.98	145.10	151.08
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	315.00	160.00	475.00
Corporation Tax on Deposit Interest	2.00	-	22.00
VAT Paid	<u>16,771.02</u>	<u>8,000.00</u>	<u>24,771.02</u>
	<u>£179,317.60</u>	<u>£71,804.86</u>	<u>£251,122.46</u>

BALANCE IN HAND

Cash at Bank £149,568.36