

# 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

03710297

Name of Company

The Financial Times International Publishing Limited

I / We

Kirstie Jane Provan  
32 Cornhill  
London  
EC3V 3BT

Neil John Mather  
32 Cornhill  
London  
EC3V 3BT

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 06/12/2011 to 05/12/2012

Signed



Date

24/1/13

Begbies Traynor (Central) LLP  
32 Cornhill  
London  
EC3V 3BT

Ref TH112MVI /K IP/N IM/R IG/ACS/M I /

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COMPANIES HOUSE

**The Financial Times International Publishing Limited (in Liquidation)**

**Joint Liquidators' Abstract of Receipts & Payments**

| <b>Declaration<br/>of Solvency</b> |                                 | <b>From 06/12/2011<br/>To 05/12/2012</b> | <b>From 06/12/2010<br/>To 05/12/2011</b> |
|------------------------------------|---------------------------------|--|--|
|                                    | <b>ASSET REALISATIONS</b>       |  |  |
| 47                                 | Cash at Bank                    | NIL                                      | 45 67                                    |
| 1,955,269                          | Intercompany Debtor - TFTL      | NIL                                      | 1,958,104 00                             |
| 8,093,283                          | Intercompany Debtor - FTGL      | NIL                                      | 8,104,789 00                             |
| <u>10,048,599</u>                  |                                 |  | <u>10,062,938 67</u>                     |
|                                    | <b>DISTRIBUTIONS</b>            |  |  |
|                                    | Distributions in specie to FTGL | NIL                                      | 10,062,893 00                            |
|                                    | Distributions in cash to FTGL   | NIL                                      | 45 67                                    |
|                                    |                                 |  | <u>10,062,938 67</u>                     |
|                                    | <b>REPRESENTED BY</b>           |  | <u>                    </u>              |

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## **The Financial Times International Publishing Limited (In Members' Voluntary Liquidation)**

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Progress report pursuant to Section 92A of the  
Insolvency Act 1986 and Rule 4.49C of the  
Insolvency Rules 1986

Period: 6 December 2011 to 5 December 2012

### Important Notice

This report has been produced solely to comply with our statutory duty to report to members of the Company pursuant to Section 92A of the Insolvency Act 1986. This report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by members for any purpose other than this report to them or by any other person for any purpose whatsoever.

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# 1. INTERPRETATION

| <u>Expression</u>                           | <u>Meaning</u>  |
|---|---|
| "the Company"                               | The Financial Times International Publishing Limited (In Members' Voluntary Liquidation)  |
| "the Liquidators"                           | Kirstie Jane Provan and Neil John Mather, both of Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT  |
| "the Act"                                   | The Insolvency Act 1986 (as amended)  |
| "the Rules"                                 | The Insolvency Rules 1986 (as amended)  |
| "secured creditor" and "unsecured creditor" | Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)   |
| "security"                                  | <ul style="list-style-type: none"><li>(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and</li><li>(ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)</li></ul> |
| preferential creditors                      | Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act  |

## 2. COMPANY INFORMATION

|                           |  |
|---------------------------|--|
| Trading name(s)           | None   |
| Company registered number | 03710297   |
| Company registered office | c/o Begbies Traynor (Central) LLP, 32 Cornhill, London, EC3V 3BT |
| Former trading address    | Number one, Southwark Bridge, London, SE1 9HL                    |

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

|                                  |                 |
|----------------------------------|-----------------|
| Date winding up commenced        | 6 December 2010 |
| Date of Liquidators' appointment | 6 December 2010 |
| Changes in Liquidator (if any)   | None            |

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is the liquidators' abstract of receipts and payments for the period from 6 December 2011 to 5 December 2012

Please note that no cash balances have been held in a liquidation account as all assets included within the Declaration of Solvency were distributed to the 100% shareholder, Financial Times Group Limited ("FTGL"), shortly after the appointment of Liquidators on 10 December 2010. This distribution is detailed in **Section 6** below.

## 5. CREDITORS

As in any liquidation, in a members' voluntary liquidation creditors are required to prove their claims and the Liquidators must examine the proofs and the particulars of the claims and admit them, in whole or in part, or reject them. The Liquidators must then settle the priorities of the creditors (as between secured, preferential and unsecured creditors) before paying them in full with statutory interest.

The Statement of Assets and Liabilities accompanying the Declaration of Solvency sworn by the directors indicated that there were no outstanding creditors.

A notice advising potential creditors of the liquidation of the Company was placed in the London Gazette on 10 December 2010, along with a request to contact the Liquidators should any claim exist.

No unknown claims have been received and the Liquidators have obtained clearance from HM Revenue & Customs confirming that no further amounts are due in respect of PAYE and National Insurance, Corporation Tax and VAT. However, the matter of the German tax liability, dealt with in more detail below, is still on-going and thus, preventing the Liquidators from finalising the liquidation.

## 6. DISTRIBUTIONS TO MEMBERS

### **Distribution in Specie**

On 10 December 2010, the following distribution in specie was made to FTGL as the 100% shareholder -

- 1 Group company debtor due from The Financial Times Limited ("FTL") of £1,958,104, and
- 2 Group company debtor due from FTGL of £8,104,789

This distribution has been made on the basis that FTGL will settle the Company's German tax liability, which at present is estimated at €90,896. This amount has not been set off against the group company debtor balance which was distributed in specie in whole. In addition, this distribution has been made subject to the terms of a Deed of Indemnity dated 6 December 2010 between the Company, FTGL and the Liquidators.

### **Distribution in Cash**

The Liquidators' declared a cash distribution to FTGL in the amount of €54.56. As per the attached receipts and payments account, this equated to £45.67.

## 7. REMUNERATION & DISBURSEMENTS

The Liquidators' remuneration has been fixed by a resolution of the members of the Company by reference to the time properly given by them (as Liquidators) and their staff in attending to matters arising in the winding up subject to the Liquidators having agreed that their remuneration shall not exceed the sum of £15,000, in circumstances where the value of time given by the Liquidators and their staff in attending to matters arising in the winding up exceeds this sum.

The Liquidators are also authorised to draw disbursements, including disbursements for services provided by their firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with their firm's policy, details of which were presented to the general meeting of the Company at which various resolutions, including the special resolution that the Company be wound up voluntarily, were passed.

Total time costs for the period of this report from 6 December 2011 to 5 December 2012, amount to £4,525 which represents 21.5 hours at an average rate of £210.47 per hour.

The following further information as regards time costs and expenses is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value
- ☐ Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

In respect of pre-liquidation costs, the Liquidators were paid an amount of £6,407.50 plus VAT excluding disbursements.

To date, in respect of post liquidation costs, the Liquidators have been paid the total sum of £8,500 plus disbursements £895 plus VAT, leaving unbilled time costs of £2,066 plus VAT. The Liquidators' costs and disbursements are paid direct by FTGL. The Liquidators' fees have now reached the cap of £15,000 and the Liquidators are seeking FTGL's approval for a further additional budget to deal with the continued administration of the liquidation to its close.

## 8. LIQUIDATORS' EXPENSES

The only expenses other than the Liquidators' disbursements, incurred during the period of this progress report, are that of the costs of Freshfields Bruckhaus Deringer LLP ("FBD") and PricewaterhouseCoopers AG ("pwc"), in dealing with the appeal against the German Tax assessment, on behalf of the Company, dealt with in more detail below. However, it should be noted that FTGL are responsible for all/any of their costs incurred in dealing with this matter.

Liquidators' disbursements incurred in the liquidation *to date*, are as follows -

|                            | £ Incurred    | £ Paid        | £ Amount Outstanding |
|----------------------------|---------------|---------------|----------------------|
| Companies House            | 10 00         | 10 00         | NIL                  |
| Courts Advertising Limited | 485 11        | 485 11        | NIL                  |
| Willis Limited             | 400 00        | 400 00        | NIL                  |
| <b>Total</b>               | <b>895 11</b> | <b>895 11</b> | <b>NIL</b>           |

There have been no Category 2 disbursements incurred or drawn

## 9. OTHER RELEVANT INFORMATION

### Corporation Tax

A group corporation tax return was submitted for the pre-appointment period on the date of appointment of the Liquidators. HM Revenue and Customs have since confirmed that there are no further corporation tax liabilities for both the pre-liquidation and post-liquidation periods.

### German Tax Liability

The Directors estimate that there is an amount, based upon a revised assessment yet to be agreed with the German Tax Authorities, for an additional tax liability of €90,896 (converted to GBP sterling £80,761 at the prevailing rate of 1.1255) arising on the disposal of the Company's interest in Financial Times Deutschland GmbH & Co KG ("FTD"). The German Tax Authorities have not as yet carried out a 'tax audit' of FTD's tax returns submitted for the years ended 2006 and 2007 and this could result in further adjustments to the liability. However, this amount is prudently estimated at that presently assessed by the German Tax Authorities.

The Company and the Liquidators instructed FBD and pwc to deal with an appeal against the assessment.

FBD has advised that the Hamburg tax office, dealing with the tax affairs, have postponed making a decision on the Company's appeal, unless and until the German Federal Fiscal Court ("BFH") has decided other comparable cases, in respect of the alleged violation of constitutional law of the minimum taxation rules.

Whilst one of the cases has been decided by the BFH, which FBD consider is not directly relevant to the Company's basis of appeal, the other is yet to be decided with no date fixed as yet, for the BFH to hand-down a decision although expected imminently. FBD has advised that the Company is obliged to await the outcome of this case to assess the impact if any, on the Company's appeal. This matter may take some time to be determined.

As and when agreed, FTGL will be responsible for settling the tax liability together with the costs of FBD and pwc in dealing with the Company's tax affairs.



## 10. MEMBERS' RIGHTS

### **Right to request further information**

Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a member or members of the Company with at least 5% of the voting total rights of all the members having the right to vote at general meetings of the Company (or any member or members with less than 5% of the total voting rights, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report

### **Right to make an application to Court**

Pursuant to Rule 4.148C of the Rules, within 8 weeks of receipt of this progress report any member or members of the Company with at least 10% of the total voting rights of all the members having the right to vote at general meetings of the Company (or any member, or members with less than 10% of the total voting rights, but with the permission of the Court) may make an application to court on the grounds that the remuneration charged or the expenses incurred as set out in this progress report are excessive or, the basis fixed for our remuneration is inappropriate

## 11. CONCLUSION

The Liquidators will report again in approximately twelve months time or at the conclusion of the liquidation, whichever is the sooner



**Kirstie Provan**  
Joint Liquidator  
Dated **24 January 2013**

# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 06 12 2011 to 05 12 2012

**The Financial Times International Publishing Limited (in Liquidation)**

**Joint Liquidators' Abstract of Receipts & Payments**

| Declaration<br>of Solvency |                                 | From 06/12/2011<br>To 05/12/2012 | From 06/12/2010<br>To 05/12/2012 |
|----------------------------|---------------------------------|----------------------------------|----------------------------------|
|                            | <b>ASSET REALISATIONS</b>       |                                  |                                  |
| 47                         | Cash at Bank                    | NIL                              | 45 67                            |
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| <u>10,048,599</u>          |                                 |                                  | <u>10,062,938 67</u>             |
|                            | <b>DISTRIBUTIONS</b>            |                                  |                                  |
|                            | Distributions in specie to FTGL | NIL                              | 10,062,893 00                    |
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|                            |                                 |                                  | <u>10,062,938 67</u>             |
|                            | <b>REPRESENTED BY</b>           |                                  | <u>-</u>                         |

**Notes**

Amounts are stated net of VAT where applicable

To date, the liquidators have been paid the sum of £8,500 00 (Fees) and £895 (disbursements) plus VAT

These amounts were paid by FTGL direct and therefore are not shown in the estate receipts and payments above

Kirstie Jane Provan  
Joint Liquidator

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## TIME COSTS AND DISBURSEMENTS

- a Begbies Traynor (Central) LLP's policy for re-charging expenses/disbursements,
- b Begbies Traynor (Central) LLP's charge-out rates,
- c Narrative summary of time costs, and
- d Table of time spent and charge-out value for the period from 6 December 2011 to 5 December 2012

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of a solvent estate and seeks member approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to members regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance<sup>1</sup> requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where member approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm and also where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest. Best practice guidance<sup>2</sup> requires that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

### **OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF SOLVENT ESTATES**

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

### **EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF SOLVENT ESTATES**

Best practice guidance classifies expenses into two broad categories.

- ☐ *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case usually referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- ☐ *Category 2 disbursements (approval required)* - items of incidental expenditure directly incurred on the case which include an element of shared or allocated cost and which are based on a reasonable method of calculation.

(A) The following items of expenditure are charged to the case (subject to approval)

- Internal meeting room usage for the purpose of statutory meetings of creditors is charged at the rate of London £150 per meeting,
- Car mileage is charged at the rate of 45 pence per mile,
- Storage of books and records (when not chargeable as a *Category 1 disbursement*) is charged on the basis that the number of standard archive boxes held in storage for a particular case bears to the total of all archive boxes for all cases in respect of the period for which the storage charge relates.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*.

<sup>1</sup> Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 6 April 2010)

<sup>2</sup> *Ibid* 1

- Telephone and facsimile
- Printing and photocopying
- Stationery

#### **BEGBIES TRAYNOR CHARGE-OUT RATES**

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the London office as at the date of this report are as follows -

| <b>Grade of staff</b>        | <b>Standard<br/>1 May 2011 –<br/>until further notice<br/>London</b> |
|------------------------------|--|
| <b>Partner</b>               | <b>495</b>   |
| <b>Director</b>              | <b>395</b>   |
| <b>Senior Manager</b>        | <b>365</b>   |
| <b>Manager</b>               | <b>315</b>   |
| <b>Assistant Manager</b>     | <b>270</b>   |
| <b>Senior Administrator</b>  | <b>235</b>   |
| <b>Administrator</b>         | <b>185</b>   |
| <b>Trainee Administrator</b> | <b>160</b>   |
| <b>Support</b>               | <b>160</b>   |

Prior to 1 May 2011 the following rates applied -

| <b>Grade of staff</b>        | <b>Standard<br/>1 May 2011 –<br/>until further notice<br/>London</b> |
|------------------------------|--|
| <b>Partner</b>               | <b>495</b>   |
| <b>Director</b>              | <b>375</b>   |
| <b>Senior Manager</b>        | <b>350</b>   |
| <b>Manager</b>               | <b>300</b>   |
| <b>Assistant Manager</b>     | <b>250</b>   |
| <b>Senior Administrator</b>  | <b>220</b>   |
| <b>Administrator</b>         | <b>180</b>   |
| <b>Trainee Administrator</b> | <b>150</b>   |
| <b>Support</b>               | <b>150</b>   |

Time spent by support staff for carrying out shorter tasks, such as typing or dealing with post, is not charged to cases but is carried as an overhead. Only where a significant amount of time is spent at one time on a case is a charge made for support staff.

Time is recorded in 6 minute units

## **SUMMARY OF OFFICE HOLDERS' TIME COSTS**

### **1 CASE OVERVIEW**

- 1.1 This overview and the time costs analysis attached is intended to provide sufficient information to enable the body responsible for the approval of the office holder's fees to consider the level of those fees in the context of the case

1.2 **Complexity of the case**

The liquidation has been relatively straight forward. Specific complexities in relation to the German Tax liability is being dealt with by FBD and pwc.

1.3 **The office holders' effectiveness**

The Liquidators have made a first and final distribution in specie and in cash to the member.

1.4 **Nature and value of property dealt with by the office holders'**

The only assets of the Company were inter-company debtors of £10,062,893 and a cash balance of 54.56 Euros.

1.5 **Time costs analysis**

An analysis of time costs incurred between 6 December 2010 and 5 December 2011 prepared in accordance with Statement of Insolvency Practice 9 is attached showing the number of hours spent by each grade of staff on the different types of work involved in the case, and giving the average hourly rate charged for each work type.

The time costs analysis provides details of work undertaken by the office holders and their staff following their appointment only.

1.6 **Approval of Expenses and Disbursements**

The Liquidator's fees have been approved in the general meeting of the members on 6 December 2010.

1.7 **Other professionals employed & their costs**

The Liquidator has ratified the Company's instruction of Freshfields Bruckhaus Deringer LLP ("FBD") and PricewaterhouseCoopers AG ("pwc"). Both are remunerated on a time cost basis in accordance with their respective firms' standard charge-out rates. FTGL is responsible for all of the costs of the liquidation including the costs of FBD and pwc in dealing with the Company's tax affairs.

1.8 **Staffing and management**

Appropriately experienced staff undertook the various tasks arising, to ensure matters were properly dealt with at the least cost to the liquidation. It is the policy of Begbies Traynor (Central) LLP that all grades of staff charge time which solely relates to the case. The analysis in the report seeks to give some indication of the various tasks undertaken by the Liquidator and his staff but is not intended to be, nor should be viewed as, an exhaustive list.

### **2 EXPLANATION OF LIQUIDATORS' CHARGING AND DISBURSEMENT RECOVERY POLICIES**

- 2.1 Begbies Traynor (Central) LLP's policy for charging fees and expenses and also the rates charged by the various grades of staff who have worked on the case are also attached.

### **3 SUMMARY OF WORK CARRIED OUT**

Since the date of the Liquidators' appointment, the following work has been carried out -

- Ensuring compliance with all statutory obligations in the liquidation,
- Liaising with FBD and pwc on the progress of the Company's appeal of the German Tax liability,

- Dealing with all necessary statutory matters,
- Providing updates to the member and to seek approval in relation to certain expenses of the liquidation,
- General care and attention throughout to the case,
- Preparing the statutory receipts and payments account to be filed with the Registrar,
- Preparing the annual report to the member, and



# TABLE OF TIME SPENT AND CHARGE-OUT VALUE

Period 06 12 2011 to 05 12 2012

21047

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# 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

03710297

Name of Company

The Financial Times International Publishing Limited

~~I~~/ We

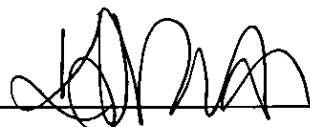
Kirstie Jane Provan  
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the liquidator(s) of the company attach a copy of ~~my~~ our Progress Report  
under section 192 of the Insolvency Act 1986

The Progress Report covers the period from 06/12/2010 to 05/12/2011

Signed



Date

24/1/13

Begbies Traynor (Central) LLP  
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**The Financial Times International Publishing Limited (in Liquidation)**

**Joint Liquidators' Abstract of Receipts & Payments**

**Declaration  
of Solvency**

**From 06/12/2010  
To 05/12/2011**

|                      |                                 |                      |
|----------------------|---------------------------------|----------------------|
|                      | <b>ASSET REALISATIONS</b>       |                      |
| 47                   | Cash at Bank                    | 45 67                |
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| <b>DISTRIBUTIONS</b> |                                 |                      |
|                      | Distributions in specie to FTGL | 10 062,893 00        |
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