

The Insolvency Act 1986

Liquidator's Progress Report  
Pursuant to Section 192 of  
The Insolvency Act 1986

# S.192

To the Registrar of Companies

For Official Use

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|  |  |  |
|--|--|--|

Company Number

04285468

Name of Company

Ebay Promotions (UK) Limited

I / We  
Francesca Tackie  
340 Deansgate  
Manchester  
M3 4LY

Paul W Barber  
340 Deansgate  
Manchester  
M3 4LY

the liquidator(s) of the company attach a copy of my/our progress report  
under section 192 of the Insolvency Act 1986

Signed *P - Be*Date 1/11/11

Begbies Traynor (Central) LLP  
340 Deansgate  
Manchester  
M3 4LY

Ref EB001MVL/FT/PB/KF

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## **Ebay Promotions (UK) 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. 24 June 2011 to 20 September 2011

### 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"                                  | Ebay Promotions (UK) Limited (In Members' Voluntary Liquidation)   |
| 'the liquidators', 'we',<br>our" and 'us"     | Alan H Tomlinson of Begbies Traynor (Central) LLP, 340 Deansgate,<br>Manchester, M3 4LY<br>and<br>Paul W Barber of Begbies Traynor (Central) LLP, 340 Deansgate,<br>Manchester, M3 4LY   |
| "the Act"                                     | The Insolvency Act 1986 (as amended)   |
| 'the Rules"                                   | The Insolvency Rules 1986 (as amended)   |
| "secured creditor" and<br>unsecured creditor" | Secured creditor, in relation to a company, means a creditor of the company<br>who holds in respect of his debt a security over property of the company, and<br>'unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)  |
| 'security"                                    | (i) In relation to England and Wales, any mortgage, charge, lien or other<br>security (Section 248(1)(b)(i) of the Act), and<br><br>(ii) In relation to Scotland, any security (whether heritable or moveable),<br>any floating charge and any right of lien or preference and any right of<br>retention (other than a right of compensation or set off) (Section<br>248(1)(b)(ii) of the Act) |
| preferential creditors                        | Any creditor of the Company whose claim is preferential within Sections 386,<br>387 and Schedule 6 to the Act  |

## 2. COMPANY INFORMATION

|                           |                                       |
|---------------------------|---------------------------------------|
| Trading name(s)           | N/A                                   |
| Company registered number | 04285468                              |
| Company registered office | 340 Deansgate, Manchester, M3 4LY     |
| Former trading address    | 5 New Street Square, London, EC4A 3TW |

## 3. DETAILS OF APPOINTMENT OF LIQUIDATORS

|                                  |  |
|----------------------------------|--|
| Date winding up commenced        | 24 June 2011   |
| Date of liquidators' appointment | Alan H Tomlinson – 24 June 2011<br>Paul Barber - 24 June 2011<br>Francesca Tackie – 20 September 2011  |
| Changes in liquidator (if any)   | I would like to confirm that on 20th September 2011, a block transfer order was made in the High Court of Justice, Manchester District Registry No 1502 of 2011 ("the Order") replacing Alan H Tomlinson with Francesca Tackie of this firm as joint liquidator. The reason for the application was due to the proposed retirement of Alan H Tomlinson on the grounds of ill health. |

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 24 June 2011 to 20 September 2011

### **Receipts**

### **Promissory Note**

Prior to the liquidation the assets of the company were transferred to the shareholder, eBay UK Limited in exchange for a promissory note the value of which was €3,743,691.45. The promissory note was distributed in specie to the shareholder upon appointment.

## 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 embodied within the declaration of solvency sworn by the directors indicated that there were no outstanding creditors.

We are in the process of obtaining clearance from HM Revenue & Customs that no further amounts are due in respect of PAYE and National Insurance, Corporation Tax and VAT

## 6. DISTRIBUTIONS TO MEMBERS

The promissory note was distributed to the member on 8 July 2011 as per the deed of distribution

eBay UK Limited – €3,743,691.45

## 7. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us (as liquidators) and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters arising in the liquidation

We are also authorised to draw disbursements, including disbursements for services provided by our firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) in accordance with our 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 and which is attached at Appendix 2 of this report

Our time costs for the period from 24 June 2011 to 20 September 2011 amount to £3,474 which represents 19.2 hours at an average rate of £180.94 per hour

The following further information in relation to our time costs and disbursements is set out at Appendix 2

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 24 June 2011 to 20 September 2011
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

Fees of £4,000 plus VAT were paid directly to Begbies Traynor in respect of the costs of the liquidation prior to the appointment of the joint liquidators. The fee was agreed on the basis that there would be no unexpected matters arising in the liquidation. Therefore the final costs will exceed the amount deposited due to the matters detailed in the report

To date, we have drawn the total sum of £nil plus disbursements of £nil on account

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been taken in accordance with the approval obtained are provided in the narrative summary of time costs incurred which is at Appendix 2

## 8. LIQUIDATORS' EXPENSES

A statement of the expenses incurred during the period of this progress report is attached at Appendix 3

## 9. ASSETS THAT REMAIN TO BE REALISED

The joint liquidators have been advised that an overpayment is due in respect of corporation tax, in the sum of £41,174 62. This is due to be repaid once the pre appointment returns have been submitted.

## 10. Other Matters

It is standard procedure for us to write to any bank with which the company holds accounts to request that the balance of any funds be remitted to us and the accounts closed. On requesting the final balance of the accounts held with the Bank of America ("bank"), which was expected to be a residual amount, it was found that two accounts were active and had balances of €324,341 24 and £534,386 99.

An explanation was sought from the directors who advised that some customers of eBay UK Limited, the shareholder, had continued paying into the company's bank account despite eBay UK limited invoicing the customer.

Further to receiving the necessary confirmation, the joint liquidators were able to close the accounts and stop the funds being transferred in to the liquidation. Once the bank has received clarification of the ownership of the funds, the joint liquidators will be able to authorise the funds to be sent directly to eBay UK Limited.

## 11. MEMBERS' RIGHTS

### Right to request further information

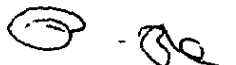
Pursuant to Rule 4 49E of the Rules, within 21 days of the receipt of this report a member or members of the Company with at least 5% of the voting total rights of all the members having the right to vote at general meetings of the Company (or any member or members with less than 5% of the total voting 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.

## 12. CONCLUSION

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



**Paul Barber**  
Joint Liquidator

Dated 31 October 2011

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# ACCOUNT OF RECEIPTS AND PAYMENTS

Period 24 June 2011 to 20 September 2011



Ebay Promotions (UK) Limited  
(In Liquidation)  
Joint Liquidators' Abstract of Receipts & Payments  
To 20/09/2011

| S of A £     |                       | £            | £              |
|--------------|-----------------------|--------------|----------------|
|              | ASSET REALISATIONS    |              |                |
| 3,743,691 00 | Promissory Note       | 3,743,691 45 | 3,743,691 45   |
|              |                       |              |                |
|              | DISTRIBUTIONS         |              |                |
|              | Ordinary Shareholders | 3,743,691 45 | (3,743,691 45) |
|              |                       |              |                |
| 3,743,691 00 |                       |              | NIL            |
|              | REPRESENTED BY        |              |                |
|              |                       |              | NIL            |

Paul W Barber  
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 incurred, and
- d Table of time spent and charge-out value for the period from 24 June 2011 to 20 September 2011

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## **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 £100 (London £150) per meeting.
- Car mileage is charged at the rate of 45 pence per mile.

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<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

- 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,
  - *Expenses which should be treated as Category 2 disbursements (approval required)* – in addition to the 2 categories referred to above, best practice guidance indicates that where payments are made to outside parties in which the office holder or his firm or any associate has an interest these should be treated as Category 2 disbursements
- (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*
- 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 Manchester office as at the date of this report are as follows

|                       | Standard<br>1 May 2011 –<br>until further notice<br>Regional |
|-----------------------|--|
| Partner               | 395  |
| Director              | 345  |
| Senior Manager        | 310  |
| Manager               | 265  |
| Assistant Manager     | 205  |
| Senior Administrator  | 175  |
| Administrator         | 135  |
| Trainee Administrator | 110  |
| Support               | 110  |

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 holders' fees to consider the level of those fees in the context of the case
- 1.2 **Complexity of the case**  
The case is of moderate complexity
- 1.3 **Exceptional responsibilities**  
The joint liquidators have been required to deal with taxation matters and issues relating to the cash in the company's bank account which was not anticipated at the onset of the liquidation
- 1.4 **The office holders' effectiveness**  
I have been effective in dealing with the companies affairs and expect the liquidation to be finalised prior to the first anniversary
- 1.5 **Nature and value of property dealt with by the office holders'**  
Please see report
- 1.6 **Anticipated return to members**  
The promissory note was distributed to the member on 8 July 2011 as per the deed of distribution  
  
eBay UK Limited – €3,743,691.45
- 1.7 **Time costs analysis**  
An analysis of time costs incurred between 24 June 2011 and 20 September 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
- 1.8 **The views of the members**  
It has not been necessary to request the views of members over any specific matters during the first year of liquidation
- 1.9 **Approval of fees**  
AS AN ORDINARY RESOLUTION that the joint liquidators remuneration be fixed by reference to the time properly given by them (as liquidators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the winding up
- 1.10 **Approval of Expenses and Disbursements**  
AS AN ORDINARY RESOLUTION that the joint liquidators be 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 accompanied the information presented to the general meeting of the Company

**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 APPOINTMENT**

- 3 1 Please see the attached report for details of the work carried out since appointment

# TABLE OF TIME SPENT AND CHARGE-OUT VALUE

Period 24 June 2011 to 20 September 2011

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## STATEMENT OF LIQUIDATORS' EXPENSES

| Type of expense                        | Name of party with whom expense incurred | Amount incurred<br>£ | Amount discharged<br>£ | Balance (to be discharged)<br>£ |
|--|--|----------------------|------------------------|---------------------------------|
| Office holders Expenses<br>(Boudreaux) | AUA Insolvency Risk Services             | 400                  | 0                      | 400                             |
| Statutory Advertising                  | Courts Advertising Limited               | 229 50               | 0                      | 229 50                          |