

**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

04366055

Name of Company

MasterCard UK Members Forum Limited

I / We

Jeremy Simon Spratt  
PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BBJohn David Thomas Milsom  
KPMG LLP, 8 Salisbury Square  
London  
EC4Y 8BBthe 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 08/09/2011 to 07/09/2012

Signed



Date

8/11/12

KPMG LLP  
PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

Ref MB914C2750/NJT/JXE/MS

WEDNESDAY



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COMPANIES HOUSE



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**Restructuring**  
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**To all shareholders**

Our ref **jss/njt/071112MMF**

9 November 2012

Dear Sir/Madam

**MasterCard UK Members Forum Limited (in members' voluntary liquidation)**  
**("the Company" or "MMF")**

**Liquidators' annual progress report**

I am writing to report on the progress of the liquidation for the year to 7 September 2012 in accordance with S92A of the Insolvency Act 1986 ("IA96")

**Basic information**

I attach as Appendix 1 the basic information regarding the Company and its liquidation required by R4 49C of the Insolvency Rules 1986. A receipts and payments account is attached as Appendix 2 and the remaining reporting requirements of R4 49C IR86 are dealt with below

**Appointment**

Jeremy Spratt and John Milsom were appointed joint liquidators of MMF on 8 September 2011 by resolution of the shareholders. The relevant statutory documentation was filed at Companies House immediately following the appointment and all known actual and potential creditors were notified of the liquidation.

**Receipts and payments**

I attach as Appendix 2 a summary of the joint liquidators' receipts and payments for the year

The principal asset listed in the declaration of solvency, sworn by a majority of the directors prior to the commencement of the liquidation ("the Declaration"), was cash at bank of approximately £330,000. The Company's bank account was secured by the liquidators and the cash was transferred to a liquidators' Insolvency Services Account at the Bank of England.

The liquidators also realised a VAT refund relating to a pre-liquidation period of approximately £6,500 and a small insurance rebate during the year

The principal payments made during the year were professional fees to MMF's tax agents for preparation of outstanding pre-liquidation tax computations and returns of approximately £5,000, trade creditors of approximately £17,000 constituting legal fees accrued prior to the commencement of the liquidation, post appointment legal fees of approximately £15,937, Corporation Tax of approximately £85,000 (see also *Tax and VAT* below) and the liquidators' fees and expenses (see also *Joint Liquidators' remuneration and expenses* below).

### **Creditors**

Notices to creditors to prove their claims in the liquidation were sent to all known potential creditors and advertised in The London Gazette and The Times newspapers on 21 September 2011. The advertisements did not result in any previously unknown creditors making claims.

### **Tax and VAT**

All pre-liquidation tax matters were dealt with by KPMG Tax who prepared and submitted all outstanding returns up to the date of the commencement of the liquidation. A tax liability of approximately £85,000, arising as a result of the release of provisions in the period prior to the appointment of the liquidators, was agreed and settled.

At the request of the joint liquidators, HM Revenue & Customs ("HMRC") has subsequently confirmed that MMF has no outstanding corporation tax returns or liabilities, that it will not raise enquiries into any pre or post liquidation periods and that it has no objection to the liquidators convening a final meeting of members to conclude the liquidation.

A similar assurance was sought and received from HMRC in respect of VAT.

### **Proceedings served on the Company (including matters arising subsequent to the year ended 7 September 2012)**

In July 2012, five sets of High Court proceedings were served jointly on MMF and four MasterCard entities (MasterCard Incorporated, MasterCard International Incorporated, MasterCard Europe S P R L and MasterCard/Europay UK Limited ("the MasterCard Entities")) by ASDA Stores Limited, Debenhams Retail plc & Debenhams Retail (Ireland) Limited, House of Fraser (Stores) Limited, Next Retail Limited and WM Morrison Supermarkets plc. The MasterCard Entities are not affiliated with the Company.

Seven additional sets of proceedings were subsequently served on the MMF and the MasterCard Entities in October 2012 by Arcadia Group Brands Limited, Arcadia Group Multiples (Ireland) Limited, Bhs (Jersey) Limited and Bhs Limited, B & Q Plc, Comet Group Limited and Comet Financial Services Limited, HMV Music Limited, HMV Ireland Limited.



and HMV Guernsey Limited, Argos Limited and Homebase Limited, Iceland Foods Limited and New Look Retailers Limited

The claims arise out of the operations of the MasterCard system for the provision of credit cards and concern the multilateral interchange fees ("MIFs") levied on each use of a card. The claims allege that the procedures for setting the rate at which MIFs were charged constituted infringements of competition law and assert that the Company is jointly and severally liable with the MasterCard Entities for losses purportedly suffered by the claimants from these breaches. The amounts claimed in each case are very significant.

Following receipt of these claims, and particularly in view of the Company's limited assets, the liquidators consulted with the Company's shareholders who confirmed that they wished the liquidators to defend the claims on behalf of the Company. The liquidators have since negotiated funding from shareholders to meet the fees and disbursements of the liquidators and their legal advisors that will be incurred defending the claims.

The liquidators have also now taken advice from leading counsel who has advised that MMF has a good defence to the claims. The liquidators have therefore instructed counsel to prepare MMF's defence to the Claims, which is required to be filed by 30 November 2012.

### **Distributions**

No shareholder distributions were declared during the year.

### **Joint liquidators' remuneration and expenses**

A written resolution was passed on 8 September 2011 that the remuneration of the joint liquidators be fixed at their normal charging rates according to the time properly spent by them and members of their staff in attending to matters arising in the winding up of the Company.


I attach as Appendix 3 a schedule summarising the joint liquidators' time costs by grade of staff and activity and expenses for the year ended 7 September 2012.

The liquidators' fees and expenses drawn during the year amount to £36,084.54. Details of the amounts paid and accrued are as follows:

	<b>Paid</b>	<b>Accrued</b>	<b>Total for period</b>
	£	£	£
<b>Liquidators' fees</b>	34,681 50	6,617 00	41,298 50
<b>Liquidators' expenses</b>	1,403 04	-	1,403 04
	<u>36,084 54</u>	<u>6,617 00</u>	<u>42,701 54</u>

In certain circumstances, additional information regarding the joint liquidators' remuneration and/or other expenses charged for the period may be requested from the joint liquidators within 21 days of receipt of this report, in accordance with R4 49E IR86. In addition, the quantum may be challenged by making an application to Court within eight weeks of receipt of this report, in accordance with R4 148C. The full text of these rules can be provided upon request.

Yours faithfully  
for MasterCard UK Members Forum Limited

  
**JS Spratt**  
*Joint Liquidator*

Jeremy Simon Spratt and John David Thomas Milsom are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England & Wales

**APPENDIX 1****MasterCard UK Members Forum Limited (in members' voluntary liquidation)****Basic information required by R4.49B IR86**

Name	MasterCard UK Members Forum Limited
Trading name / Former names	MasterCard/Europay UK (2002) Limited (until 17/12/2002) DWSCO 2253 Limited (until 08/04/2002)
Company number	04366055
Previous registered office	10 Upper Bank Street, London, E14 5NP
Present registered office	KPMG LLP, 8 Salisbury Square, London EC4Y 8BB
Joint liquidators	Jeremy Simon Spratt and John David Thomas Milsom
Joint liquidators' address	KPMG LLP, 8 Salisbury Square, London EC4Y 8BB
Date of appointment	8 September 2011
Appointed by	Members

**MasterCard UK Members' Forum Limited**  
**Liquidators' abstract of receipts and payments**  
**8 September 2011 to 7 September 2012**

**APPENDIX 2**

**Declaration  
of solvency**

<b>£</b>	<b>Receipts</b>	<b>£</b>
329,708 10	Cash at bank	327,950 70
2,247 44	Trade debtors	-
5,747 32	Pre-liquidation VAT refund	6,537 91
-	Insurance refund	163 96
		<hr/>
337,702 86		<b>Total receipts: 334,652.57</b>

**Payments**

18,455 00	Accrued expenses	-
6,500 00	Liquidators' fees	34,681 50
51 24	Corporation tax	85,224 24
-	Bank charges	94 05
-	Trade creditors	16,850 00
-	Tax agents' fees	5,100 00
-	Legal fees	15,937 00
-	Statutory advertising	1,003 95
-	Liquidators' expenses	1,403 04
-	VAT receivable	14,995 10
		<hr/>
25,006 24		<b>Total payments: 175,288.88</b>
		<hr/>
312,696 62	<b>Balance at bank as at 7 September 2012:</b>	<b>159,363.69</b>
		<hr/> <hr/>

**Mastercard UK Members Forum Limited (in members' voluntary liquidation)**  
**Joint liquidators' remuneration for the year ended 7 September 2012**

**APPENDIX 3**

Grade of Staff	Partner	Senior Manager	Manager	Administrator	Senior Administrator	Administrator	Support	Total Hours	Total Cost	Average Rate
Hourly charge out rate/£	535 00	425 00	345 00	240 00	175 00	110 00			£	£
Pre-liquidation advice	0 00	0 00	16 10	5 00	0 00	0 00	0 00	21 10	6,754 50	320 12
Asset realisations	0 20	0 10	0 00	0 50	0 00	0 10	0 10	0 90	280 50	311 67
Cashiering	0 00	0 10	0 10	1 60	0 00	1 80	1 80	3 60	659 00	183 06
Creditors & Claims	14 90	46 80	0 00	4 20	0 00	0 00	0 00	65 90	28,869 50	438 08
Shareholders	0 00	0 00	0 80	0 00	0 00	0 00	0 00	0 80	276 00	345 00
Statutory & Compliance	0 70	1 60	0 60	8 20	1 00	1 30	1 30	13 40	3,547 50	264 74
Tax	0 00	0 80	0 30	0 20	2 40	0 00	0 00	3 70	911 50	246 35
<b>Total Sum of Hours</b>	<b>15 80</b>	<b>49 40</b>	<b>17 90</b>	<b>19 70</b>	<b>3 40</b>	<b>3 20</b>		<b>109 40</b>	<b>41,298 50</b>	<b>377 50</b>

Total liquidators' time costs drawn on account during the year ended 7 September 2012  
Outstanding time costs as at 7 September 2012

(34,681 50)  
6,617 00

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in the central administration functions is not charged directly to the assignment but is reflected in the general level of charge-out rates.

**Expenses**

Incidental expenses  
Land Registry Search  
Joint liquidators' bond

867 04  
36 00  
500  
1,403 04

Expenses drawn during the year ended 7 September 2012

(1,403 04)

Outstanding expenses as at 7 September 2012

0 00