

The Insolvency Act 1986

**Administrator's progress report**

Name of Company  
Port Vale (Valiant 2001) Football Club  
Limited

Company number  
04669703

In the  
Birmingham District Registry  
[full name of court]

Court case number  
8131 of 2012

We, Robert Michael Young, Gerald Maurice Krasner and Steven John Currie of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP

administrators of the above company attach a progress report for the period

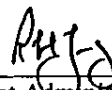
from

to

9 September 2012

8 March 2013

Signed

  
Joint Administrator

Dated

13 March 2013

**Contact Details**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Begbies Traynor (Central) LLP

The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP

Tel Number 01782 394 500

Fax Number 01782 395 200

DX Number

When you have completed and signed this form please send it to the Registrar of Companies at  
Companies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff



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19/03/2013

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COMPANIES HOUSE

TUESDAY

Robert Michael Young, Gerald Maurice Krasner and Steven John Currie appointed joint administrators on 9 March 2012

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability

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## **Port Vale (Valiant 2001) Football Club Limited (In Administration)**

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Final Progress Report of the joint administrators  
pursuant to Rules 2.47 and 2.110 of The Insolvency  
Rules 1986

Period: 9 September 2012 to 8 March 2013

## **Important Notice**

This final progress report has been produced by the administrators solely to comply with their statutory duty to report to creditors on the progress of the administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors 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"	Port Vale (Valiant 2001) Football Club Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 9 March 2012
"the administrators", "we", "our", "us"	Robert Michael Young, Gerald Maurice Krasner and Steven John Currie of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP
"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 creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

## 2. STATUTORY INFORMATION

Name of Company	Port Vale (Valiant 2001) Football Club Limited
Date of Incorporation	18 February 2003
Company registered number	04669703
Company registered office	The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, Staffordshire, ST3 6HP

## 3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of administrators	Robert Michael Young, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP, Gerald Maunce Krasner, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP and Steven John Curne, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP
Date of appointment	9 March 2012
Court	Birmingham District Registry
Court Case Number	8131 of 2012
Person(s) making appointment / application	Stoke on Trent City Council
Acts of the administrators	The administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency Proceedings	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the administration period	There have been no extensions to the administration period.

## 4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 9 September 2012 to 8 March 2013

### Trading Receipts

#### *Ticket Sales/Sponsorship*

The sum of £95,769 83 was received during the period in respect of ticket sales and sponsorships for individual games

#### *Shop Sales*

During the period shop sales totalling £19,024 12 were received

#### *Rental Income*

An amount of £16,504 35 was received from the various tenants in the Vale Park Enterprise Centre for rental payments during the period

#### *Football League Youth Squad Contribution*

During the period, The Football League have paid across £133,437 40 in respect of their contribution towards the youth squad at the club

#### *Sales Commission*

The sum of £2,508 02 has received during the period in relation to commission earned by the Company

#### *Season Ticket/Executive Bank Sales*

During the period there have been season ticket sales and executive box sales totalling £79,879 05

#### *Football League Basic Award/Sky Funds*

The sum of £224,198 68 has been received during the period in relation to the basic award from The Football League and also funds received from SKY TV for the live coverage of a home game

### Trading Payments

#### *Consultants*

During the period the sum of £7,852 65 has been paid to the various consultants that we had employed

#### *Monthly Wages*

The sum of £173,457 72 has been paid in respect of the monthly wages during the period

#### *Casual Wages*

We have paid £41,340 77 in respect of the casual wages during the period

#### *Filming Costs*

Cavalier Studios have been paid £1,340 during the period for the filming of each home game

#### *Shop Stock*

The sum of £65,065 16 has been paid to various parties in relation to stock for the shop at the club

#### *Licence/Rental Fees*

During the period £1,760 98 has been paid for the various licences and rental agreements that the Company has in place

#### *Rates*

Stoke on Trent City Council have been paid £21,630 35 during the period in respect of the business rates due

#### *Utilities Payments*

The various utility providers used by the Company have received £34,467 61 in respect of the usage during the period

#### *Travel*

The sum of £8,395 has been paid in relation to the costs incurred in travelling to each away game

#### *Telephone/Mobile Costs*

During the period £3,554 75 has been paid in respect of the costs incurred for the usage of the telephones and mobiles that the Company has

#### *Security Costs*

For the security provided during the period the sum of £11,790 50 has been paid

#### *Insurance*

Bluefin Insurance Services provided the insurance for the Company and they have received £17,181 63 for this cover

#### *Professional Fees*

The sum of £14,499 62 has been paid to the various professionals that we have employed during the period

#### *Bank Charges*

During the period we have incurred bank charges with HSBC Merchant Services of £1,576 05

#### *Ticket Sales Commission*

All visiting clubs receive a commission on pre sold tickets for games, during the period £4,600 43 has been paid in this regard

#### *FA and Football League Fees*

We have received a refund of £262 74 during the period from PVFC Limited in respect of FA and Football League fees that we had paid in advance at the beginning of the season

#### *Academy Housing Costs*

Some of the academy players require temporary accommodation while playing for the club and during the period the sum of £2,147 01 has been paid to various landlords in this regard

#### *Repairs & Maintenance*

The sum of £16,694 63 has been paid during the period for repairs and maintenance carried out at the Company

#### *Sundry Expenses/Petty Cash*

During the period £5,108 11 has been paid out for sundry expenses and petty cash

#### *Agents Fees/Player Relocation Costs*

The sum of £21,205 has been paid to various agents in respect of their fees for representing certain players and also to players who receive relocation costs as part of their contract

#### *Vehicle Running Costs*

During the period £3,895 68 has been paid in respect of the rental costs for the vehicles that the Company has on hire and also for fuel for the equipment used by the Company

#### *Match Day Expenses*

The sum of £11,946 58 has been paid in respect of the general match day expenses incurred during the period

#### *Stationery*

We have paid £2,928 84 for the stationery ordered during the period

#### *Cup Entry Fees*

We have received a repayment of £131 38 from PVFC Limited in respect of cup entry fees that we had paid prior to the commencement of the season

#### *Employee Deductions*

For the period, £1,686 30 has been paid in relation to the various deductions due out of certain employee's salaries

#### *IT Costs*

During the period we have paid £7,274 40 in respect of the IT costs incurred by the Company

#### *Pitch Hire*

The sum of £5,754 96 has been paid in relation to the costs incurred for pitch hire during the period

#### *PAYE/NIC*

HM Revenue & Customs have been paid £534,284 14 in respect of the PAYE and NIC due from us as Administrators of the Company PVFC Limited contributed towards this amount as some of the funds were due from them as part of the period related to the first few weeks of their ownership of the club

#### *Catering Costs*

We have paid £13,339 53 in relation to the costs incurred for providing catering at the matches and also for providing the players with a pre match meal prior to away games

#### *Medical Fees/Medical Insurance*

During the period we have paid £27,005 45 in relation to the medical insurance in place and also various medical bills that have had to be settled for the players

#### *Hotel Costs*

The sum of £2,900 has been paid in respect of the costs for hotels used by the club prior to certain away games

#### *Football League Ticket Levy*

For the games played during the period we have paid The Football League £9,771 70 in respect of the 3% levy on ticket sales

#### *Trading Printing and Postage*

We have paid £270 31 in respect of the printing and postage costs that we have incurred during the period

#### *Subscription Fees*

We have paid £1,956 05 in respect of the various subscriptions that the Company has in place

#### *Policing Costs*

Staffordshire Police have been paid £18,282 during the period for their services provided at certain home games

#### *Reimbursement of Trading Costs Donation*

Throughout the Administration Stoke on Trent City Council donated £440,000 to assist with the trading costs of the Administration On 23 November 2012 these funds were refunded to them

#### *Season Ticket funds due to PVFC Limited*

As part of the sale of the club, the funds received for season tickets by us would be apportioned in line with the amount of games we were trading the club for This resulted in £404,885 71 being due to PVFC Limited and these funds were paid across to them upon completion of the sale



## General Receipts

### *Sale of the Business and Assets*

As advised later in this report, a sale of the business and assets of the Company was concluded to PVFC Limited. The breakdown of the funds received under the Asset Sale Agreement is as follows,

- Goodwill - £500,000
- Intellectual Property Rights - £49,989
- Vale Park - £700,000
- Customer Contracts - £1
- Seller's Records - £1
- Computers - £1
- Plant and Machinery - £1
- Motor Vehicles - £1
- Stock - £1
- Supply Contracts - £1
- Registrations - £1
- Football League Share - £1
- Insurance Policies - £1
- Football League Monies - £1

### *Book Debts*

The sum of £8,828 67 has been received in relation to debts due to the Company as at the date of our appointment

### *Cash at Bank*

We have received £20,443 13 in relation to the funds held in the bank account that was operated by the Company prior to our appointment

### *Utilities Refund*

During the period we have received refunds totalling £9,947 89 from various utility suppliers that the Company used

## General Payments

### *Stoke on Trent City Council*

We have distributed £160,000 to Stoke on Trent City Council as a part payment of the debt due to them under the security that they hold over the Company

### *Office Holders Expenses*

In line with the relevant authorisations that we have received, we have drawn £6,854 96 in respect of general expenses due to us

### *Professional Fees*

The sum of £3,840 48 has been paid to various professionals that we have used to assist us with the progress of the Administration

### *Agents/Valuers Fees*

We have paid £10,900 to Butters John Bee for the valuation of the assets of the Company that they provided us with and also for the EPC inspection that they carried out on our behalf

### *Legal Fees*

The sum of £8,508 has been paid to George Davies Solicitors for advice that they have provided us with during the Administration

We have also paid £60,000 to Grndeys Solicitors for the advice that they have provided and also for completing the Asset Sale Agreement on our behalf and representing us throughout both proposed sales of the Company

#### *Bank Charges*

We have paid £1,468 94 during the period in relation to the bank charges that we have incurred on our trading bank accounts

#### *Distribution to CVA*

In line with the approved CVA proposals, the sum of £75,000 has been paid across to the CVA from the Administration

#### *Football Creditors*

The sum of £4,490 has been paid to the only remaining football creditor. All other football creditors had previously been settled by The Football League and then deducted from the monthly payments that the Company has been receiving from them

## **5. OUTCOME FOR CREDITORS**

### **Secured creditors**

As detailed in our CVA proposals, the secured creditors will not be paid in full. The balance of their claims shall be unsecured claims within the CVA.

### **Preferential creditors**

As part of the approved CVA proposals, the preferential creditors shall receive a distribution of 100p in the pound.

### **Prescribed Part for unsecured creditors pursuant to Section 176A of the Act**

Details of how the prescribed part is calculated have previously been provided in our statement of proposals and in previous progress reports.

The Company Voluntary Arrangement proposed by us and approved by creditors provides that we shall not be obliged to set aside a prescribed part of the Company's net property.

### **Unsecured creditors**

As per our CVA proposals, unsecured creditors are expected to receive a distribution of around 3p in the pound.

### **Ending the administration**

As per our previous reports to you, we can confirm that at the meeting of creditors held on 26 April 2012 a Company Voluntary Arrangement was approved.

This Arrangement has been operating alongside the Administration and will continue to operate until such time that the Certificate of Completion is issued by us as Joint Supervisors of the Arrangement.

The surplus funds from the Administration shall be held by us until such time that Liquidators are appointed over the Company at which stage the funds shall be transferred to the Liquidation bank account. Any transactions occurring during this period shall be reported on by the Liquidators.

## **6. ADMINISTRATORS' PROPOSALS**

Attached at Appendix 2 is a summary of our proposals as approved by the initial meeting of creditors held on 26 April 2012.

## 7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

As advised in our previous progress report, a deal was in place for the sale of the club to Mr Keith Ryder. Unfortunately in August 2012 this deal fell through and we had to begin the marketing of the club again.

During this time we had further involvement with the press and fans of the club in order to provide updates as to the progress of the marketing of the club. We also had to negotiate with the players and PFA in relation to compromise agreements on their contracts to provide certainty of the position if a purchaser was not found.

Following negotiations with several interested parties, an offer of £1,250,000 from PVFC Limited was accepted and exclusivity was once again granted.

After a period of due diligence and after receiving full approval from The Football League a sale of the club was completed on 20 November 2012 to PVFC Limited at which time the football share of the club was transferred to them.

Since the completion of the sale we have been working closely with PVFC Limited in relation to apportionment payments due between ourselves and also to complete our financial records.

As there is an approved CVA now in place we shall continue to work with PVFC Limited to progress matters.

## 8. REMUNERATION & DISBURSEMENTS

Our remuneration has been fixed by reference to the time properly given by us (as administrators) 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 administration and we are 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 accompanied our Statement of Proposals for achieving the purpose of administration and which are attached at Appendix 2 of this report.

Our time costs for the period from 9 March 2012 to 8 March 2013 amount to £523,854 which represents 2,165.3 hours at an average rate of £241.93 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 3.

- ☐ Narrative summary of time costs incurred
- ☐ Table of time spent and charge-out value for the period 9 March 2012 to 8 March 2013
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

Since our appointment, we have drawn the total sum of £225,000 plus disbursements. Please note that we have written off a considerable amount of time in relation to this matter which amounts to £298,854.

## 9. EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4

## 10. CREDITORS' RIGHTS

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

Pursuant to Rule 2.48A of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses (other than pre-administration costs) which have been detailed in this progress report

### **Right to make an application to court**

Pursuant to Rule 2.109 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the court) may within 8 weeks of receipt of this progress report make an application to court on the grounds that the remuneration charged or the expenses incurred by us as set out in this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate

## 11. ASSETS THAT REMAIN TO BE REALISED

All assets have been realised during the Administration, this was concluded when the sale of the business and assets completed

## 12. OTHER RELEVANT INFORMATION

### **Report on Directors conduct**

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Innovation and Skills on the conduct of the director[s]. We have complied with our duties in this respect

### **Investigations completed**

As explained in our interim progress report we have been investigating the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect

Due to the sensitive nature of these investigations we are unable to provide further information at this moment in time. We can however confirm that these investigations shall be continued by the appointed Liquidators once the Company is Wound Up by the Court following the completion of the CVA

## 13. CONCLUSION

As advised earlier in this report, the Company is still under a Company Voluntary Arrangement and we shall be writing to you shortly in our capacity as Joint Supervisors of the Arrangement

  
R M Young  
Joint Administrator

Date 13 March 2013

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## ACCOUNT OF RECEIPTS AND PAYMENTS

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**Port Vale (Valiant 2001) Football Club Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

Statement of Affairs	From 09/09/2012 To 08/03/2013	From 09/03/2012 To 08/03/2013
<b>POST APPOINTMENT SALES</b>		
Donation to Trading Costs	NIL	500,000 00
Donations from Supporters	NIL	16,152 00
Ticket Sales/Sponsorship	95,769 83	383,327 97
Shop Sales	19,024 12	54,941 63
Loan Transfer Fee	NIL	50,000 00
Rental Income	16,504 35	27,378 56
Contribution towards Lee Collins' Wag	NIL	20,093 95
Football League Youth Squad Contribu	133,437 40	149,918 75
Sales Commission	2,508 02	17,064 63
Season Ticket/Executive Box Sales	79,879 05	699,475 56
Football League Basic Award/Sky Fun	224,198 68	224,198 68
	<u>571,321 45</u>	<u>2,142,551 73</u>
<b>OTHER DIRECT COSTS</b>		
Consultants	7,852 65	12,283 45
Monthly Wages	173,457 72	804,619 12
Casual Wages	41,340 77	85,806 48
	<u>(222,651 14)</u>	<u>(902,709 05)</u>
<b>TRADING EXPENDITURE</b>		
Filming Costs	1,340 00	2,040 00
Shop Stock	65,065 16	80,151 85
Licence/Rental Fees	1,760 98	14,660 68
Rates	21,630 35	29,129 85
Utilities Payments	34,467 61	83,976 89
Travel	8,395 00	15,977 00
Telephone/Mobile Costs	3,554 75	11,361 62
Security Costs	11,790 50	12,196 78
Insurance	17,181 63	17,181 63
Professional Fees	14,499 62	32,268 29
Bank Charges	1,576 05	4,355 62
Ticket Sales Commission	4,600 43	15,242 99
FA and Football League Fees	(262 74)	687 26
Academy Housing Costs	2,147 01	2,147 01
Repairs & Maintenance	16,694 63	29,375 60
Sundry Expenses/Petty Cash	5,108 11	17,213 98
Agents Fees/Player Relocation Costs	21,205 00	30,634 59
Vehicle Running Costs	3,895 68	7,685 31
Match Day Expenses	11,946 58	24,825 85
Stationery	2,928 84	4,548 00
Duress Payment	NIL	5,000 00
Cup Entry Fees	(131 38)	43 62
Employee Deductions	1,686 30	4,846 57
IT Costs	7,274 40	12,891 60
Pitch Hire	5,754 96	7,704 96
PAYE/NIC	534,284 14	534,284 14
Catering Costs	13,339 53	27,250 54
Medical Fees/Medical Insurance	27,005 45	54,979 59
Hotel Costs	2,900 00	6,508 37
Football League Ticket Levy	9,771 70	15,806 96
Trading Printing and Postage	270 31	2,910 31
Subscription Fees	1,956 05	4,457 47

**Port Vale (Valiant 2001) Football Club Limited**  
**(In Administration)**  
**Joint Administrators' Trading Account**

Statement of Affairs	From 09/09/2012 To 08/03/2013	From 09/03/2012 To 08/03/2013
Policing Costs	18,282 00	21,258 00
Reimbursement of Trading Costs Don	440,000 00	440,000 00
Season Ticket funds due to PVFC Limi	404,885 71	404,885 71
	(1,716,804 36)	(1,978,488 64)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(1,368,134.05)</b>	<b>(738,645.96)</b>



**Port Vale (Valiant 2001) Football Club Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 09/09/2012 To 08/03/2013	From 09/03/2012 To 08/03/2013
	<b>SECURED ASSETS</b>		
	Goodwill	500,000 00	500,000 00
	Intellectual Property Rights	49,989 00	49,989 00
325,000 00	Vale Park	700,000 00	700,000 00
		<u>1,249,989 00</u>	<u>1,249,989 00</u>
	<b>SECURED CREDITORS</b>		
(1,859,000 00)	Stoke on Trent City Council	160,000 00	160,000 00
(42,007 00)	The Co-operative Bank	NIL	NIL
(277,734 00)	Continental Solutions Limited	NIL	NIL
		<u>(160,000 00)</u>	<u>(160,000 00)</u>
	<b>ASSET REALISATIONS</b>		
	Customer Contracts	1 00	1 00
	Seller's Records	1 00	1 00
5,500 00	Office Equipment	NIL	NIL
3,500 00	Computers	1 00	1 00
24,000 00	Plant & Machinery	1 00	1 00
46,500 00	Equipment, fixtures and fittings	NIL	NIL
7,000 00	Motor Vehicles	1 00	1 00
	Stock	1 00	1 00
	Supply Contracts	1 00	1 00
	Book Debts	8,828 67	30,072 98
	Registrations	1 00	1 00
	Football League Share	1 00	1 00
	Insurance Policies	1 00	1 00
	Tax Refund	NIL	2,407 53
	Football League Monies	1 00	1 00
	Cash at Bank	20,443 13	20,996 80
	Utilities Refund	9,947 89	9,947 89
	Council Tax Refund	NIL	29 51
	Trading Surplus/(Deficit)	<u>(1,368,134 05)</u>	<u>(738,645 96)</u>
		<u>(1,328,903 36)</u>	<u>(675,180 25)</u>
	<b>COST OF REALISATIONS</b>		
	Office Holders Fees	225,000 00	225,000 00
	Office Holders Expenses	6,854 96	6,854 96
	Professional Fees	3,840 48	3,840 48
	Agents/Valuers Fees	10,900 00	10,900 00
	Legal Fees	68,508 00	68,508 00
	Photocopying	NIL	3,868 01
	Statutory Advertising	NIL	3,231 87
	Bank Charges	1,468 94	2,514 31
	Distribution to CVA	75,000 00	75,000 00
		<u>(391,572 38)</u>	<u>(399,717 63)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(235,000 00)	Employees - Arrears of Wages & Hol P	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
(319,827 00)	Trade Creditors	NIL	NIL
(350,000 00)	Employees - Arrears/Hol/Redundancy	NIL	NIL

**Port Vale (Valiant 2001) Football Club Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**

Statement of Affairs		From 09/09/2012 To 08/03/2013	From 09/03/2012 To 08/03/2013
(14,000 00)	Football Creditors	(4,490 00)	(4,490 00)
(329,399 00)	Football Pension Scheme	NIL	NIL
(158,938 00)	HM Revenue & Customs - PAYE/NIC	NIL	NIL
(29,027 00)	HM Revenue & Customs - VAT	NIL	NIL
(170,274 00)	Season Ticket Holders	NIL	NIL
		(4,490 00)	(4,490 00)
	<b>DISTRIBUTIONS</b>		
(1,679,900 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
<b>(5,053,606.00)</b>		<b>(634,976 74)</b>	<b>10,601.12</b>
	<b>REPRESENTED BY</b>		
	Vat Receivable		137,853 17
	Bank 1 Current		130,701 12
	Vat Payable		(257,953 17)
			<b>10,601.12</b>

## SUMMARY OF ADMINISTRATORS' PROPOSALS, INCLUDING MAJOR AMENDMENTS TO AND DEVIATIONS FROM THEM

### **Proposals approved at the initial creditors' meeting.**

#### ***Purpose of the Administration***

We are required to set out our proposals for achieving the purpose of the administration which in this context means one of the objectives specified in paragraph 3 of Schedule B1 to the Act as set out at section 3 of this report above

For the reasons set out in this report, we presently consider that it is not reasonably practicable to achieve the objective specified in sub-paragraph 3(1)(a), and consequently the most appropriate objective to pursue in this case is that specified in sub-paragraph 3(1)(b), namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration)

It is not reasonably practicable to achieve objective 3(1)(a) due to the difficulties in generating interest in a Company with such a high level of liabilities, rendering a going concern sale unachievable

In order to achieve our chosen objective, we are making the following proposals,

- To finalise all agreements for the sale of the club,
- To propose a CVA to the creditors of the Company( a copy of our CVA proposals is attached at Appendix 5), and
- To remain in office as joint administrators in order to conclude all matters in our proposals that will enable us to achieve the statutory purpose of the administration

#### ***Exit from Administration***

As referred to above, we propose that the Company enters into a Company Voluntary Arrangement ("CVA") If approved as a CVA it is proposed that we will not cease to act as administrators until completion of the administration and the issuing of our final report, but will act as joint supervisors of the CVA It will be for the members and creditors of the Company to approve the CVA

As can be seen from Appendix 6 there are currently two options available for the Company The first is for a CVA The proposed purchaser has made a specific offer to introduce funds to enable unsecured creditors to be paid a small dividend in a CVA We consider that this is the most effective way of concluding this insolvency The alternative option is to liquidate the Company's entire assets entailing the cessation of trading Appendix 6 shows a comparison of the likely outcome of a CVA compared to liquidation Liquidation would result in a further points deduction by the Football League which would inevitably involve the expulsion of Port Vale from the Football League

Creditors will find detailed consideration of all aspects of the CVA in the document entitled "*Proposals of the Administrators for a Company Voluntary Arrangement pursuant to Part 1 of the Insolvency Act 1986*" which is also attached at Appendix 5 Should the creditors accept our overall proposals, then immediately following the meeting to consider this report, a further meeting will be held under Section 3(2) of the Act to consider our detailed proposal for a CVA

***In the event that the CVA proposals are not approved***

Should the CVA proposals not be approved we propose the following,

- That we be fully entitled to exercise any and all of the powers listed in Schedule 1 of the Insolvency Act 1986 for any purposes set out in these proposals,
- To explore any other option available to realise the assets of the Company without recourse to creditors,
- To continue to do all such things reasonable expedient and generally exercise all of our powers as joint administrators as we, in our discretion, consider desirable in order to maximise realisations from the assets of the Company, in accordance with the objective as set out above,
- To investigate and, if appropriate, pursue any claims the Company may have,
- To seek an extension to the administration period if deemed necessary by us,
- When the realisations of the administration have been completed, it is proposed that we apply to court to make a distribution to unsecured creditors in the event that there are any funds to distribute and resolve that the Company be dissolved without further recourse to the creditors, pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986,
- If, in our opinion, no better realisations will be made in the administration that would be available in winding up, to take the necessary steps to put the Company into Compulsory Liquidation, in the event that we deem that liquidation is not appropriate because, for example, no dividend will become available to the creditors and there are no other outstanding matters that require to be dealt with in liquidation, then we shall file the appropriate notices at Companies House and the Company will subsequently be dissolved,
- If we petition for the Winding Up of the Company, that Robert Michael Young, Steven John Cume and Gerald Maunce Krasner are appointed as liquidators of the Company, at the appropriate time, without any further recourse to creditors and that they may act jointly and severally in their duties. In accordance with Paragraph 83(7) of Schedule B1 of the Insolvency Act 1986 and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person as their proposed liquidator, provided that the nomination is made after receipt of the proposals and before the proposals are approved, and
- That following the discharge of administration, the joint administrators be discharged from liability in respect of any action of them as joint administrators, pursuant to Paragraph 98 of Schedule B1 of the Insolvency Act 1986, with immediate effect

***Further point's deduction***

Although the club has been deducted 10 points under the Football League rules for entering into administration, in the event that we do not exit the administration through a CVA, the Football League will make a further points deduction likely to be between 15-20 points which will result in the club falling into the relegation zone and potentially dropping out of the Football League

## **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 9 March 2012 to 8 March 2013

## **BEGBIES TRAYNOR CHARGING POLICY**

### **INTRODUCTION**

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor 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 creditors 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 creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. 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 INSOLVENT 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 INSOLVENT 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,
- 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,

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

<sup>2</sup> Ibid 1

(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 Stoke office as at the date of this report are as follows

	<b>Standard 1 May 2011 – until further notice Regional</b>
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 such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units

## SUMMARY OF OFFICE HOLDERS' TIME COSTS

CASE NAME	Port Vale (Valiant 2001) Football Club Limited
CASE TYPE	ADMINISTRATION
OFFICE HOLDERS	Robert Michael Young, Gerald Maunce Krasner and Steven John Curme
DATE OF APPOINTMENT	9 March 2012

### 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**  
This case has involved the trading of the Company during Administration whilst actively marketing the business for sale and finding a suitable purchaser for the Company
- 1.3 **Exceptional responsibilities**  
As the offer for the business and assets that was initially accepted from Keith Ryder fell through, it meant that the office holders had to continue to trade the Company for a much longer period than originally anticipated in order to market the business for sale again, this would then allow any preferred bidders to carry out their own due diligence and to receive Football League approval
- 1.4 **The office holders' effectiveness**  
The office holders have been effective as despite the initial deal for the sale of the club falling through, they were able to continue to trade the Company and eventually achieve a sale of the business
- 1.5 **Nature and value of property dealt with by the office holders'**  
The nature and value dealt with by the office holders is detailed earlier in the attached report
- 1.6 **Anticipated return to creditors**  
The secured creditors will not be paid in full and the balances of their claims shall be unsecured claims within the CVA
- 1.7 **Time costs analysis**  
An analysis of time costs incurred between 9 March 2012 and 8 March 2013 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 creditors**  
Creditors have been kept informed of the progress of the Administration by the office holders by way of press releases providing updates and also with fans forum meetings and regular meetings with the supporters club



**1 9 Approval of fees**

The office holders received approval of their fees at the meeting of creditors held on 26 April 2012. The secured creditor, Stoke on Trent City Council will also be approving their fees.

**1 10 Approval of Expenses and Disbursements**

The office holders received approval of their expenses and disbursements at the meeting of creditors held on 26 April 2012.

**1 11 Category 2 Disbursements**

In accordance with the resolution obtained in relation to expenses and disbursements, the following Category 2 disbursements and disbursements which should be treated as Category 2 disbursements have been charged to the case since the date of my appointment.

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	1,717 20
Postage	4,384 02
Trains	881 99
Sundries	999 13
<b>TOTAL</b>	<b>7,982 34</b>

**1 12 Other professionals employed & their costs**

Eversheds Solicitors were instructed to assist the office holders with their appointment through the Court. They are yet to be paid for their services.

Clarion Solicitors were instructed to advise the office holders in relation to certain contracts that the Company had in place and also the contracts of all employees including playing staff. They are yet to be paid for their services.

George Davies Solicitors were instructed to assist the office holders with their investigations and they have received £8,508 for their services.

Grndeys Solicitors were instructed to represent the office holders throughout the sale of the business and they assisted with the completion of the Asset Sale Agreement during both the Keith Ryder negotiations and also the completion of the sale to PVFC Limited.

Butters John Bee were instructed to provide a valuation of the assets of the Company and also to carry out a EPC inspection of the properties. They have received £10,900 for their services.

Insol Employee Solutions were instructed to assist with the claims of the employees who were made redundant and also to agree the preferential claims. They have received £370 for their services.

Cadantis Associates were instructed to undertake a review of the utilities usage of the Company to see if savings could be made as a result of overpayments in the past. They received a reduced rate for the benefit of the Company and they received £2,470 48 for their services.

AUA Insolvency Risk Services undertook a review of the insurance policies that the Company had in place to ensure that the cover was adequate for what was required by the office holders. They received £1,000 for their services.

**1 13 Staffing and management**

Due to the high level interest on this case and also the necessity for a high level of involvement and input required due to the trading activities, predominantly senior levels of staff have been used on this case

**2 EXPLANATION OF OFFICE HOLDERS' CHARGING AND DISBURSEMENT RECOVERY POLICIES**

2 1 Begbies Traynor (Central) LLP's policy for charging fees and expenses incurred by office holders is attached at Appendix 3

2 2 The rates charged by the various grades of staff who may work on a case are attached at Appendix 3

**3 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT**

Since the date of our last report, the following work has been carried out

- Continued to trade and market the Company
- Agreed and completed a sale of the business to PVFC Limited

Port Vale (Valiant 2001) Football Club Limited
Time costs analysis for the period from 09 03 12 to 08 03 12

Staff Grade	Hours									Time cost £	Average hourly rate	
	Partner	Director	Senior Manager	Manager	Assistant Manager	Senior Administrator	Administrator	Junior Administrator	Support			Total hours
Administration and planning												
Appointment and case planning	26 50	10 50	2 50	-	-	2 00	13 00	2 50	-	57 00	17,245	302 54
Administration and banking	23 10	-	1 50	-	-	27 30	71 70	247 40	105 60	476 60	62,877	131 93
Statutory reporting and statement of affairs	22 30	11 00	19 80	-	-	169 50	9 00	-	-	231 60	49,619	214 24
Investigations												
CDDA and investigations	3 50	-	1 50	-	-	-	2 50	22 80	-	30 30	4,693	154 88
Realisation of assets												
Debt collection	-	-	-	-	-	-	-	-	-	-	-	-
Property, business and asset sales	125 80	7 00	25 30	0 30	-	31 00	27 50	-	-	216 90	69 166	318 88
Retention of Title/Third party assets	-	-	-	-	-	-	-	-	-	-	-	-
Trading												
Trading	311 50	38 00	210 50	-	-	218 00	18 30	-	-	796 30	242,028	303 94
Creditors												
Secured	-	-	-	-	-	8 50	-	-	-	8 50	1,488	175 00
Others	4 50	4 00	20 90	1 50	11 50	29 50	21 50	7 70	-	101 10	21,304	210 72
Creditors' committee	-	-	-	-	-	-	-	-	-	-	-	-
Other matters												
Meetings	47 00	7 50	17 50	-	-	124 00	5 00	22 00	5 00	228 00	51,923	227 73
Tax	-	-	-	-	-	-	-	-	-	-	-	-
Litigation	1 00	-	-	-	-	-	-	-	-	1 00	395	395 00
Other	-	-	-	-	-	17 50	-	-	0 50	18 00	3,118	173 19
Total hours by staff grade	565 20	78 00	299 50	1 80	11 50	627 30	168 50	302 40	111 10	2 165 30		
Total time cost by staff grade	223,254	26,910	92,845	477	2,358	109,778	22,748	33,264	12,221		523,854	241 93
Average hourly rate £	395 00	345 00	310 00	265 00	205 00	175 00	135 00	110 00	110 00			
Total fees drawn to date											225,000	

## STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Agent's fees	Butters John Bee	10,900 00	10,900 00	-
Legal fees	George Davies Solicitors	8,508 00	8,508 00	-
Legal fees	Grndeys Solicitors	60,000 00	60,000 00	-
Professional fees	Insol Employee Solutions Limited	370 00	370 00	-
Professional fees	Cadantis Associates	2,470 48	2,470 48	-
Professional fees	AUA Insolvency Risk Services	1,000 00	1,000 00	-
Statutory advertising	TMP Worldwide	3,231 87	3,231 87	-
Bond	AUA Insolvency Risk Services	316 66	316 66	-