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**Port Vale (Valiant 2001) Football Club
Limited (In Compulsory Liquidation)**

High Court of Justice Chancery Division
Birmingham No. 6284 of 2013

Progress report pursuant to Rule 4.49B of the
Insolvency Rules 1986

Period: 3 July 2013 to 2 July 2014

THURSDAY



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Important Notice

This progress report has been produced solely to comply with our statutory duty to report to creditors and members of the Company on the progress of the liquidation. 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 and 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"	Port Vale (Valiant 2001) Football Club Limited (In Compulsory Liquidation)
"the liquidation"	The appointment of liquidators by the Court pursuant to Section 140 of the Act on 3 July 2013
"the liquidators", "we", "our" and "us"	Robert Michael Young 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"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act), and (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)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. COMPANY INFORMATION

Trading name	Port Vale Football Club
Company registered number	04669703
Company registered office	The Old Barn, Caverswall Park, Caverswall Lane, Stoke on Trent, ST3 6HP
Former trading address	Hamil Road, Burslem, Stoke on Trent, ST6 1AW

3. DETAILS OF APPOINTMENT OF LIQUIDATORS

Date of winding up order	3 July 2013
Date of liquidators' appointment	3 July 2013
Changes in liquidator (if any)	None

4. PROGRESS DURING THE PERIOD COVERED BY THIS REPORT

Attached at Appendix 1 is our abstract of receipts and payments for the period from 3 July 2013 to 2 July 2014

Receipts

Cash at Bank

We have received £68,284 99 in respect of the funds that were held in the various bank accounts that were operated by the Company prior to our appointment

Bank Interest Gross

The sum of £238 47 has been received in relation to bank interest during the period

Administration Surplus

Upon our appointment as Joint Liquidators of the Company the balance held in the Administration was transferred to the Liquidation account, this balance was £46,290 93

Utilities Refund

We have received £121 18 from Scottish Power in respect of a refund due for an overpayment on the account that the Company held with them for the trading period

Payments

O R Remuneration

The amount paid to the Official Receiver ("the OR") represents the costs incurred by the OR in carrying out their duties. These funds totalled £1,070

Banking Fees

We have paid £91 30 in banking fees since our appointment

Secretary of State Fees

The funds received to date in the Liquidation total £114,935 57, the fees charged on these realisations by the Secretary of State total £19,299 19

Legal Fees

Grndeys Solicitors have been paid £4,510 plus VAT for the work that they carried out in petitioning for the Winding Up of the Company through the Court

Tax on Interest

We have paid £47 69 in respect of the tax that we have incurred on the interest received on funds held within the Insolvency Services bank account

Statutory Advertising

The sum of £80 65 plus VAT has been paid in relation to the cost incurred in advertising our appointment as Joint Liquidators of the Company

5. ESTIMATED OUTCOME FOR CREDITORS

Details of the sums owed to each class of the Company's creditors were provided by in our Administrators' proposals

On the basis of realisations to date and estimated future realisations we estimate an outcome for each class of the Company's creditors as follows

Secured creditor

Stoke on Trent City Council received a distribution of £160,000 in the Administration and repayment of their trading loan in the sum of £440,000 They have also received a distribution of £67,000 during the Liquidation

Preferential creditors

The preferential creditors received a dividend of 100 pence in the pound in the Company Voluntary Arrangement that the Company was formerly under

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

Details of how the prescribed part is calculated were provided in our Administrators' proposals

The Company Voluntary Arrangement proposed by us and approved by creditors on 26 April 2012 provided that we shall not be obliged to set aside a prescribed part pursuant to Section 176A(4) of the Act

Unsecured creditors

The unsecured creditors received a distribution of 2 16p in the pound from the prior Company Voluntary Arrangement

Dependant upon the outcome of our investigations as detailed in section 9 below, it is uncertain as to whether there will be any further distributions to the unsecured creditors

6. REMUNERATION & DISBURSEMENTS

Remuneration

Pursuant to Rule 4 127(5A)(b), our remuneration is treated as having been fixed on the same basis as the former administrators, 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

Our time costs for the period from 3 July 2013 to 2 July 2014 amount to £71,850 which represents 282.5 hours at an average rate of £254.34 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 3 July 2013 to 2 July 2014
- ☐ Begbies Traynor (Central) LLP's policy for re-charging disbursements
- ☐ Begbies Traynor (Central) LLP's charge-out rates

To 2 July 2014, we are yet to draw any funds on account of our remuneration, against total time costs of £71,850 incurred since the date of our appointment

Disbursements

In accordance with the approval obtained from creditors at the meeting held on 26 April 2012, the following Category 2 disbursements have been charged to the case since the date of our appointment in accordance with our firm's policy, a copy of which is at Appendix 2

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	134.55
TOTAL	134.55

A copy of 'A Creditors' Guide to Liquidators Fees (E&W) 2011' which provides guidance on creditors' rights on how to approve and monitor a Liquidator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy

7. LIQUIDATORS' EXPENSES

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

8. ASSETS THAT REMAIN TO BE REALISED

All assets have now been realised and the only outstanding matter is our investigations into the Company and the conduct of its directors further details of which can be found at section 9 below

9. OTHER RELEVANT INFORMATION

Investigations

You may be aware that a liquidator has a duty to enquire into the affairs of an insolvent company to determine its property and liabilities and to identify any actions which could lead to the recovery of funds

As explained previously, we have been investigating the manner in which the business was conducted prior to the administration of the Company for potential recoveries for the estate

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 are progressing with the assistance of our solicitors

10. CREDITORS' RIGHTS

Right to request further information

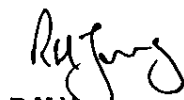
Pursuant to Rule 4.49E of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors, including that creditor, (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the court) may request in writing that we provide further information about our remuneration or expenses which have been detailed in this progress report

Right to make an application to court

Pursuant to Rule 4.131 of the Rules, any secured creditor or any 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 as set out in this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate

11. CONCLUSION

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



R M Young
Joint Liquidator

Dated 8 July 2014

ACCOUNT OF RECEIPTS AND PAYMENTS

Period 3 July 2013 to 2 July 2014

Port Vale (Valiant 2001) Football Club Limited
(In Liquidation)
Joint Liquidators' Abstract of Receipts & Payments
To 02/07/2014

S of A £	£	£
SECURED CREDITORS		
Stoke on Trent City Council	67,000 00	(67,000 00)
ASSET REALISATIONS		
Cash at Bank	68,284 99	
Bank Interest Gross	238 47	
Administration Surplus	46,290 93	
Utilities Refund	121 18	114,935 57
COST OF REALISATIONS		
O R Remuneration	1,070 00	
Banking Fees	91.30	
Secretary of State Fees	19,299 19	
Legal Fees	4,510 00	
Tax on Interest	47 69	
Statutory Advertising	80 65	(25,098 83)
		<u>22,836 74</u>
REPRESENTED BY		
ISA NIB		22,836 74
		<u>22,836.74</u>

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 3 July 2013 to 2 July 2014

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 guidance¹ 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 guidance² 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.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales (Effective 1 April 2007)

² 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

Grade of staff	Charge-out Rate (£ per hour)
Partner 1	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Junior 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 COMPULSORY LIQUIDATION
OFFICE HOLDERS Robert Michael Young and Steven John Currie
DATE OF APPOINTMENT 3 July 2013

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 has involved the continued investigations into the affairs of the Company and its directors

1.3 **Exceptional responsibilities**

Due to the nature of the case there has been a high level of interest in the matter from members, creditors and various third parties

1.4 **The office holders' effectiveness**

The office holders have been effective as the investigations into the affairs of the Company and its directors are ongoing

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

The nature and value of the property dealt with by the office holders is detailed earlier in the attached report

1.6 **Anticipated return to creditors**

Stoke on Trent City Council, the secured creditor have received £237,000 to date during the Administration and Liquidation of the Company. They also received the repayment of their trading loan during the Administration in the sum of £440,000. It is uncertain as to whether there will be further funds available to them at this moment in time.

The preferential creditors received a distribution of 100 pence in the pound during the Voluntary Arrangement that the Company was under.

Unsecured creditors received a distribution of 2.16p in the Voluntary Arrangement that the Company was under, it is uncertain as to whether they will receive a further distribution in the Liquidation.

1.7 **Time costs analysis**

An analysis of time costs incurred between 3 July 2013 and 2 July 2014 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.

1 8 The views of the creditors

The views of the creditors have been received at the various meetings held by the office holders in their former capacity as Joint Administrators of the Company and also as Joint Liquidators of the Company. They will also be sought at the upcoming meeting due to be held on 5 August 2014.

1 9 Approval of fees

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

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	134 55
TOTAL	134 55

1 12 Other professionals employed & their costs

Grndeys Solicitors were employed to petition for the Winding Up of the Company and to attend at Court for the hearing. They have received £4,510 plus VAT for their services.

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 2.

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

3 SUMMARY OF WORK CARRIED OUT SINCE OUR LAST REPORT

3 1 Since the date of our last report, the following work has been carried out:

3 2 Completed all statutory duties and returns.

3 3 Continued with the investigations into the affairs of the Company and its directors.

[illegible]

STATEMENT OF EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Legal fees	Grindeys Solicitors	4,510 00	4,510 00	-
Statutory advertising	TMP Worldwide	80 65	80 65	-
Storage	Archive Solutions	187 02	-	187 02