

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company Darlington FC Limited	Company number 05074229
In the High Court of Justice Leeds District Registry (full name of court)	Court case number 581 of 2009

(a) Insert full
name(s) and
address(es) of
administrator(s)

I (a)
Dave Clark
Of Brackenbury Clark & Co Ltd
Second Floor
43 St Pauls Street
Leeds
LS1 2JG

*Delete as
applicable

attach a copy of my proposals in respect of the administration of the above company.

A copy of these proposals was sent to all known creditors on

(b) 1 June 2009

Signed


Administrator

Dated

1/06/09

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 researchers of the pu

Dave Clark
Brackenbury Clark & Co Ltd
Second Floor
43 St Pauls Street
Leeds
LS1 2JG

DX Number

01132 438617
DX Exchange

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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05/06/2009

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2.18B

The Insolvency Act 1986

Notice of extension of time period

Name of Company
Darlington FC Limited

Company number
05074229

In the High Court of Justice, Leeds District Registry (full name of court)
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Court case number
581 of 2009

Notice is hereby given by (a)

(a) Insert full
name(s) andDave Clark, of Brackenbury Clark & Co Ltd,
Second Floor, 43 St Pauls Street, Leeds, LS1 2JGaddress(es) of
administrator(s)(b) Insert name and
address
of registered
office of companythat in respect of (b) Darlington FC Limited, c/o Brackenbury Clark & Co Limited, Second Floor
43 St Pauls Street, Leeds, LS1 2JG

the time period set out in:

(c) Insert date
*Delete as
applicable* paragraph 49(5)(b) of Schedule B1 to the Insolvency Act
1986 ('the Schedule') has been extended to

(c) 17 June 2009

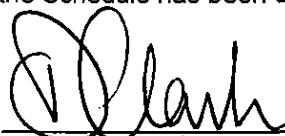
* paragraph 50(1)(b) of the Schedule has been extended to

(c) 1 July 2009

* paragraph 51(2)(b) of the Schedule has been extended to

(c) 1 July 2009

Signed


Administrator

Dated

1/6/09

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 researchers of the public record

Dave Clark
Brackenbury Clark & Co Ltd
Second Floor
43 St Pauls Street
Leeds
LS1 2JG

DX Number

01132 438617
DX Exchange

Companies House receipt date barcode

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Registrar of Companies at:-
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

IN THE HIGH COURT OF JUSTICE

No. 581 of 2009

CHANCERY DIVISION

LEEDS DISTRICT REGISTRY

DARLINGTON FC LIMITED (IN ADMINISTRATION) (the Club / the Company)

and

IN THE MATTER OF THE INSOLVENCY ACT 1986 AND THE INSOLVENCY ACT 2000

**PROPOSAL BY THE ADMINISTRATOR OF THE COMPANY
TO ITS CREDITORS AND SHAREHOLDERS FOR A VOLUNTARY ARRANGEMENT
IN SATISFACTION OF ITS DEBTS**

WALKER MORRIS
Kings Court
12 King Street
LEEDS
LS1 2HL
Tel: 0113 2832500
Fax: 0113 2459412
Ref: DWH/JBM

1 INTRODUCTION

- 1.1 The financial problems being experienced by the Company are well known by its Creditors.
- 1.2 My principal duties are to achieve as beneficial an outcome as possible for Creditors and to keep a football club in Darlington. To this end I have been engaged in detailed discussions and negotiations with various parties over the last few months who want to ensure the survival of the Club. Having considered various options I am now able to make and recommend a proposal to Creditors which I believe may provide for some repayment to Creditors and guarantee a future for the Club.
- 1.3 This document sets out my proposal for a Company Voluntary Arrangement (CVA) and I recommend that the CVA as outlined in this document should be placed before Creditors. This is a formal procedure introduced by Part I of the Insolvency Act 1986, which enables a company to agree with its creditors how its debts should be paid and in what proportions. A CVA requires the approval of in excess of 75% in value of those creditors (including Connected Creditors) voting on the resolution in person or by proxy. In addition there is a second vote excluding associated creditors which requires a simple majority. Once the CVA has been approved it will bind all creditors who were entitled to receive notice of the meeting and were entitled to vote at it, whether or not they received such notice and whether or not they chose to vote.

2 INTERPRETATION AND DEFINITIONS

Administrator	David Nicholas Clark of Brackenbury Clark & Co Ltd, Second Floor, 43 St Pauls Street, Leeds, LS1 2JG;
Administrator's Proposals	the proposals of the Administrator pursuant to Schedule B1 of Paragraph 48 of the Insolvency Act 1986 sent to creditors with the CVA which for the avoidance of doubt do not form part of the CVA other than for the purposes of details required pursuant to Rule 1.3 of the Insolvency Act 1986;
Articles of the Football League	the current Articles of Association of the Football League;
Club	Darlington FC Limited;

Company	Darlington FC Limited;
Creditors	Secured Creditors, Preferential Creditors, Connected Creditors and Unsecured Creditors;
Connected Creditors	has the meaning attributed to it pursuant to Section 435 of the Insolvency Act 1986;
CVA	the Company's voluntary arrangement as outlined in this document;
Directors	The director of the Company namely George Houghton;
Effective Date	the day on which the CVA becomes effective by its approval at a meeting of Creditors convened for that purpose or such later day if such meeting is adjourned or the day upon which the CVA becomes unconditional (as the CVA is conditional);
Football Association	the Football Association Limited of 25 Soho Square, London, W1D 1FA;
Football Creditors	those creditors which the Football League determines must be paid as a condition of the transfer of the Company's membership of the Football League and the Football Association or as a condition of the Football League not imposing a transfer embargo on the Company upon terms agreeable to the Prospective Purchaser;
Football League	the Football League Limited of Edward VII Quay, Navigation Way, Preston, PR2 2YF;
Football League Board	the board of the Football League;

Football League Share	the Club's shareholding in the share capital of the Football League;
Football Shares	the Company's shares in the Football League and the Football Association;
Member Club	has the meaning attributed to it in the current regulations of the Football League;
Nominee	David Nicholas Clark of Brackenbury Clark & Co Ltd, Second Floor, 43 St Pauls Street, Leeds, LS1 2JG;
PFA	the Professional Footballers' Association of 20 Oxford Court, Bishopsgate, Manchester, M2 3WQ;
Price	the sum of £50,000 plus the total of the facility provided to the Administrator by the Prospective Purchaser, plus the assumption of all liabilities and contracts as defined under the Agreement plus the obtaining of a release by the Prospective Purchaser of a debenture dated 3 December 2009 in favour of Philip Scott and Graham Sizer over the Company;
Preferential Creditor	any Creditor of the Company whose claim was preferential within the meaning of Section 386 of the Insolvency Act 1986 whether the claim may be present, future, contingent or prospective;
Prospective Purchaser	a company currently known as Darlington Football Club 2009 Limited which, upon acceptance of the CVA by creditors and the Football League consenting to the transfer of the Football League Share to it, will own substantially the whole of the business and assets of the Company;
Proposal	this proposal for a company voluntary arrangement;

Secured Creditor	any Creditor of the Company whose claim is secured against any assets of the Company as prescribed by Section 248 of the Insolvency Act 1986;
Supervisor	David Nicholas Clark of Brackenbury Clark & Co Ltd, Second Floor, 43 St Pauls Street, Leeds, LS1 2JG;
Unsecured Creditor	any person other than a Secured Creditor and a Preferential Creditor who has or claims to have any claim against the Company arising out of or having its origin in any matter occurring prior to the Effective Date or arising out of any transaction act or omission of the Company or any person on or before the Effective Date whether the claim may be present future or contingent or prospective or whether liquidated or for damages and whether in contract or tort howsoever arising on the assumption that at the Effective Date the Company was in compulsory liquidation;
Voluntary Arrangement	the voluntary arrangement in its present form with any modification thereof or addition thereto or condition approved or imposed by the Creditors.

- 2.1 References to the **Act** and the **Rules** are to the Insolvency Act 1986, the Insolvency Act 2000 and the Insolvency Rules 1986 (as amended) respectively. Words and expressions used in this Proposal shall have the same meanings attributed to them as in the Act or the Rules unless otherwise stated in the CVA.

3 BACKGROUND TO THE FOOTBALL CLUB

- 3.1 Darlington Football Club is a professional English football team based in the town of Darlington. It is nicknamed "the Quakers". Darlington Football Club was founded at Darlington Grammar School in 1883 and became professional in 1908. The Club moved to its new stadium, the Reynolds Arena (now known as the Northern Echo Darlington Arena) (capacity 25,500) in 2003 from Feethams.
- 3.2 The Club currently competes in League Two of the Football League and has just

completed the 2008/09 season finishing twelfth. Colin Todd was appointed as first team manager on 20 May 2009 to replace the previous manager, Dave Penny who resigned on 30 April 2009.

- 3.3 Please refer to the Administrator's proposals to creditors for a detailed background to the Company and events leading up to administration.

4 ADMINISTRATION AND RECENT DEVELOPMENTS

- 4.1 The Club went into administration on 25 February 2009. David Nicholas Clark of Brackenbury Clark & Co Ltd was appointed Administrator on the same date. As a result of entering administration, the Club was docked 10 points by the Football League.

5 MARKETING OF THE CLUB

- 5.1 The Club was fully advertised for sale upon the appointment of the Administrator via the national press coverage of the administration. A total of 10 confidentiality agreements were signed and the signatories were allowed access to the due diligence packs. Any interested parties were then required to prove funds of £2,000,000 in order to initiate the sales process. Prospective purchasers were originally given until 20 April 2009 to make a bid but this was subsequently extended until close of business on 15 May 2009.
- 5.2 A number of parties were interested in purchasing the Club but only one conditional bid was actually received by the Administrator by the initial deadline of 20 April 2009. This bid was conditional upon a sale of the stadium and surrounding land being agreed. This condition was not satisfied and the offer was withdrawn leaving the Administrator to have to extend the deadline for offers until 15 May 2009 as at the time there were no current offers for the Club. This deadline passed without any further offers but on Friday 22 May 2009 the Prospective Purchaser was given "preferred bidder" status. On the same day a sale and purchase agreement (the **Agreement**) was entered into between the Company and the Prospective Purchaser and that Agreement now forms the basis of this Proposal.
- 5.3 For a detailed description of the marketing of the Club and the actions taken by the Administrator since his appointment, please refer to the Administrator's proposals.

6 THE FOOTBALL LEAGUE SHARE

- 6.1 The Company's right to compete in the Football League and remain as a member of the

Football Association depends upon it holding a share in each of the Football League and the Football Association. When a football club enters into an insolvency procedure the Football League and the Football Association have the right to require the club in question to transfer its share to another club or organisation. Under the Football League's Articles of Association it is a condition of continued membership of the Football League that all creditors classified by the Football League as Football Creditors are paid in full and the Football League's insolvency policy is complied with in full. The Football Association also requires compliance with the Football League's insolvency policy.

- 6.2 I am advised that a CVA for the Company is the preferred mechanism pursuant to which the Company's business can be transferred to any new company because of the requirements for transfer of the Football League Share. The main asset of the Club is its shareholding in the Football League. Under the rules of the Football League the Football League Share can only be transferred via a sale to a "Newco" which has been approved via a CVA or in exceptional circumstances which are, as I am informed, at the sole discretion of the Football League Board and will mean that Newco will start next season with a further points deduction of between 15 and 20 points.
- 6.3 The Football League has suspended the Company's share generally subject to a transfer of the Company's share to a "Newco", which may be subject to conditions dependent upon whether this CVA is approved. The Agreement was therefore drafted to be conditional upon the Football League Share being successfully transferred to the Prospective Purchaser.
- 6.4 If the CVA is accepted, and approval is given by the Football League for the transfer of the Football League Share to the Prospective Purchaser, the Agreement that the Administrator has reached with the Prospective Purchaser will be completed.
- 6.5 If the CVA is rejected by Creditors or the Football League reject the Prospective Purchaser's request for the transfer of the Football League Share, then the Agreement will not be completed.
- 6.6 If the Prospective Purchasers are unable to register the Football League Share in their name the Company will not be able to continue its participation in the Football League and the Football Association.
- 6.7 If the CVA is not accepted by the requisite majority of Creditors, or there is a successful appeal, or an Abort Certificate is issued because of such an appeal, the

transfer to the Prospective Purchaser of the Football League Share may not complete as Newco may not want to continue with the purchase if they have to start next season with a further points deduction of between 15 and 20 points, and the Agreement will not become effective. It is therefore, in my opinion, important that Creditors realise that a CVA accepted by the requisite majority of creditors is most likely to produce a dividend for the benefit of Creditors.

6.8 All Football Creditors if any (as such are determined by the Football League) will be dealt with by the Prospective Purchaser to the satisfaction of the Football League upon the Football League Share being transferred to the Prospective Purchaser. It is the intention of the Prospective Purchaser to assume responsibility for Football Creditors. It should be emphasised that such payment to the Football Creditors will be made outside the terms of the CVA and payment will be made directly to Football Creditors by the Prospective Purchaser. It is not intended therefore that any provision of this CVA shall disturb the statutory order of priority of payments to Creditors as set out in the Insolvency Act 1986 by ranking Football Creditors ahead of Preferential Creditors or other Unsecured Creditors.

6.9 The PFA represents the interests of the players. Under the Football League's insolvency policy, the Company would not be able to retain its membership of the Football League unless the Company reaches an arrangement with the PFA in respect of the players' contracts and arrears of wages due to them. The vast majority of such sums would fall to be met by the Prospective Purchaser upon completion of the purchase by the Prospective Purchaser in any event pursuant to the Transfer of Undertakings Regulations and the players would not rank for dividend purposes in the CVA upon completion of the purchase by the Prospective Purchaser.

7 DUTIES OF ADMINISTRATOR

7.1 The Administrator's principal duty is to perform his duties with the objective of:

- (a) Rescuing the Company as a going concern; or,
- (b) Achieving a better result for the Creditors as a whole than would be likely if the Company were wound up (without first being in administration); or
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

8 SUMMARY OF CVA AND BENEFIT TO CREDITORS

8.1 The Administrator concluded that it would not be possible to rescue the Company itself as a going concern because of the extent of its indebtedness and was of the view that a sale of the Company's business to a new company on the terms outlined in the CVA will give a better return to Creditors as a whole than would be achieved on a liquidation of the Company with particular reference to the conditions required for the Football Shares to be transferred to any new entity.

8.2 The Administrator concluded that a sale of the business and assets of the Company to the Prospective Purchaser was the best option for Creditors. Accordingly the Administrator has reached agreements with the Prospective Purchaser allowing on completion and the approval of the CVA by Creditors the following:-

8.2.1 The business will continue operating in the future via the Prospective Purchaser and the Prospective Purchaser will pay all future trading liabilities. After estimating all future trading costs of running the Club and upon the CVA becoming unconditional an estimated dividend will be paid to creditors of approximately 1 pence in the £. Creditors are referred to the estimated final position as appended to this document. All Football Creditors will be paid in full by the Prospective Purchaser.

8.3 Creditors should note that they would receive nothing on the liquidation of the Company or if the CVA is not accepted. This can be seen in the estimated outcome statement attached to this Proposal.

9 BACKGROUND

9.1 Creditors are referred to the Administrator's Proposals for the background to this matter.

10 THE CVA

10.1 Creditors are referred to the following appendices that are appended to the Administrators Proposals, which is attached to this document:

- | | | |
|------------|---|--|
| Appendix 1 | - | Statutory information |
| Appendix 2 | - | Extracts from recent accounts |
| Appendix 3 | - | Estimated financial position of the Company as at 25 February 2009 |

- Appendix 4 – Summary of Administrator's time, costs and expenses to 1 June 2009
- Appendix 5 – Receipts and payments account for the period 25 February 2009 until 1 June 2009
- Appendix 6 – Creditors' guide to charging and disbursement policy
- Appendix 7 – Estimated final position as at 1 June 2009

11 THE CONDITIONALITY OF THE CVA

- 11.1 The CVA shall be conditional upon the Prospective Purchaser concluding an agreement with the Football League providing for the transfer of the Football Shares to the Prospective Purchaser.

12 DURATION

- 12.1 The CVA will continue for a year or such period of time sufficient for the Supervisor to collect and to distribute funds to Preferential Creditors and Unsecured Creditors in accordance with the terms of the CVA.

13 NOMINEE AND SUPERVISOR

- 13.1 It is proposed that the Nominee shall act as Supervisor of the CVA.
- 13.2 The Nominee and intended Supervisor is qualified to act as an Insolvency Practitioner in relation to the Company.
- 13.3 The Administrator's remuneration shall be fixed by a committee of creditors appointed by creditors at a meeting to discuss the Administrator's Proposals to be held immediately prior to the meeting of Creditors to discuss the CVA, or if no such committee is appointed by a resolution of Creditors at that meeting, or by the Court. Any such resolution will include the time spent in preparing the CVA. For the information of Creditors it is estimated that the cost of the Nominee work in preparing this CVA and circulating it to Creditors is £8,000.00 plus VAT and any expense. In addition the costs of solicitors' fees in respect of the CVA are estimated at £7,000.00 plus VAT. Approval of the CVA will operate as approval of these estimated fees. The Nominee shall charge disbursements in relation to his own internal costs and such external costs as are specifically incurred.

14 ESTIMATED STATEMENT OF AFFAIRS

14.1 All the Company's assets, with estimates of their respective values, and the extent to which they are charged in favour of Creditors, together with full details of the Company's liabilities, are disclosed in the estimated financial position as appended to this CVA. Also appended is an estimated outcome statement comparing the likely dividends payable to Creditors if the CVA were implemented or, alternatively, were the Company's affairs to be administered by a liquidator.

14.2 All Company assets are excluded from the CVA unless otherwise specified.

15 SECURED CREDITORS

15.1 The following are Secured Creditors of the Company and hold the following security:

15.1.1 Philip Scott and Graham Sizer holding a debenture dated 3 December 2008 over the assets of the Company (the **Debenture**)

15.2 For the avoidance of doubt any amount outstanding under the Debenture upon its release by the proposed purchaser over the Company shall rank as an unsecured creditor for dividend purposes as against the Company.

16 PREFERENTIAL CREDITORS

16.1 Preferential Creditor details are detailed at appendix 3.

17 GUARANTORS

17.1 No guarantees have been given by the Company or by any person in connection with this CVA or in connection with any of the Creditors by any person.

18 CONNECTED CREDITORS

18.1 There are no connected creditors of the Company so far as the Administrator is currently aware on the basis of information provided to him to date other than:-

- (i) current employees of the Company in respect of arrears of wages and future sums due to them under their employment contracts.
- (ii) George Houghton in respect of monies loaned to the Company.
- (iii) Players in respect of unpaid wages under contracts of

employment with the Company.

- (iv) Staff in respect of unpaid wages under contracts of employment with the Company.
- (v) Raj Singh in respect of monies loaned to the Company.
- (vi) Amounts due to Darlington FC Holdings Limited in respect of monies loaned to the Company.
- (vii) Amounts due to DFC Investments Limited in respect of monies loaned to the Company.

18.2 Any connected creditors will be dealt with in precisely the same way as other creditors in the CVA unless the CVA specifically provides otherwise.

19 TERMINATION

19.1 The CVA shall continue in full force and effect until the Supervisor shall issue a certificate stating that either:-

19.1.1 the Administrator and/or Supervisor is of the opinion that there is no reasonable likelihood of the conditions set out in the CVA being implemented or satisfied due to any or all of the conditions being unachievable or alternatively if the Company incurs losses or is forecast to incur losses in the period during which the conditions are in the process of being satisfied, and such losses are not met by third party funds (**an Abort Certificate**);

19.1.2 the actions and matters contemplated by the CVA have been completed and the purposes (if any) for which the CVA is expressed to have been made have been fulfilled (**a Completion Certificate**).

19.2 The Supervisor shall give written notice of the issue of an Abort Certificate or a Completion Certificate to the Company, its members and all known Creditors. If remedy of the default is subsequently made by the Company then the relevant Certificate will be treated as null and void and have no effect and the CVA will continue as before.

19.3 Upon the issue of an Abort Certificate or a Completion Certificate the CVA and any express or implied trust shall terminate and be of no further force or effect subject to the

trust clause in this CVA dealing with the Supervisor's fees and expenses, provided that if the Supervisor issues an Abort Certificate he may in his absolute discretion:

- 19.3.1 Realise any assets under his control and distribute any funds in his hands in accordance with the terms of the CVA and continue to exercise any other powers given to him under the CVA; and
 - 19.3.2 Petition the Court for an Order that the Company be wound up or placed into administration again at the Supervisor's discretion who shall set aside sufficient funds for the purpose of presenting such a petition and such funds shall rank ahead of his remuneration;
 - 19.3.3 Consent to the Directors calling a meeting of the shareholders of the Company in order to pass a resolution to wind-up the Company voluntarily;
 - 19.3.4 Call a meeting of the Creditors' committee or the Creditors pursuant to this CVA in order to consider which of the above actions or any other actions without limitation the Supervisor should follow in particular to consider whether the CVA should be continued upon suitably revised terms.
- 19.4 If an Abort Certificate is issued at a time when the administration is still in force the Administrator may seek removal from office discharge or continue the administration or petition the Court for the Company to be wound up in their discretion.
- 19.5 Upon the issue of a Completion Certificate the Supervisor shall apply to have the Company dissolved.

20 ORDER OF PRIORITY

It is proposed that funds paid to and proceeds of assets realised by the Supervisor after the implementation of this CVA and after withholding sufficient monies to pay all debts, liabilities, tax liabilities, costs, Administrator's fees and expenses arising from or in connection with the administration of the Company shall be distributed in the following order:-

- 20.1 In paying the Nominee remuneration and expenses in accordance with the terms of the CVA.
- 20.2 In paying the Supervisor's costs and expenses of issuing any winding-up proceedings.
- 20.3 In payment of the Supervisor's remuneration and expenses in accordance with the terms of the CVA.

20.4 In paying all other expenses incurred during the course of the CVA by the Supervisor (including the costs and expenses of agents appointed by the Supervisor).

20.5 In paying a dividend to Preferential Creditors.

20.6 In paying a dividend to Unsecured Creditors.

21 PROOF OF DEBTS

21.1 In admitting proofs of debt under the CVA, the Supervisor shall apply, wherever applicable and subject to the provisions of the CVA, those provisions of the Act and the Rules relating to the admission and payment of proofs of debt by a liquidator in a compulsory liquidation (save that no advertisements will be made). The Supervisor shall not admit any claim of any Creditor unless such claim is proven to his satisfaction pursuant to the provisions of the CVA. The estimates of the Directors of the worth of the claims of contingent Creditors (disregarding any additional actual claims of such Creditors) so far as known to the Directors are set out by the name of each of the respective contingent Creditors in the Statement of Affairs and such contingent Creditors will be treated for the purposes of the CVA as Creditors of the Company in the amount there shown (or otherwise as agreed by the Supervisor) in full and final settlement of their claims.

21.2 The amount of any indebtedness owed by the Company to any Creditor shall be the total amount owing as at the Effective Date.

21.3 Rules 4.73 to 4.94 of the Rules inclusive shall apply to the CVA, except that:-

21.3.1 references to proving or claiming to prove shall be taken as references to the submission of a claim calculated in accordance with the terms of the CVA.

21.3.2 the reference to Section 98 shall be read as a reference to Section 3 of the CVA.

21.3.3 references to the liquidator shall be read as references to the Supervisor.

22 HIRE PURCHASE

22.1 The majority of assets subject to hire purchase or chattel leasing agreements or other similar agreements as set out in the Statement of Affairs may be required in connection with the Prospective Purchaser. It is intended that upon implementation of the CVA, the Prospective Purchaser will enter into negotiations with certain of the hire purchase

finance companies concerning the equipment which will be required for trading. The Prospective Purchaser will only assume re-negotiated payments for those assets in respect of which the Prospective Purchaser has notified the relevant finance companies within 50 days of the CVA becoming unconditional of its requirement for the particular assets specified. All current arrears will be dealt with as unsecured claims in the CVA.

23 EMPLOYEE CLAIMS

- 23.1 Upon acceptance of the CVA no employee claims are expected to rank for dividend other than those employees whose contracts were determined prior to the Effective Date. No other claims are anticipated upon the CVA becoming unconditional, as the Company has paid or deferred the wages which had accrued prior to the CVA, to facilitate its on-going business and the deferred wages of football related staff will be paid by the Prospective Purchaser pursuant to the Transfer of Undertaking Regulations.

24 DIVIDENDS

- 24.1 Rules 11.1 to 11.13 inclusive and Rule 4.182 (1) & (2) shall apply to the CVA except that:
- 24.1.1 references to the liquidator shall be read as references to the Supervisor;
 - 24.1.2 no action shall be permitted against the Supervisor for a dividend including a refusal to pay a dividend.
- 24.2 If any dividends remain unclaimed when the Supervisor issues his Completion Certificate, they shall pay such amounts to the Company. The Company shall then be liable to the Creditors concerned for the amounts of such dividends notwithstanding the issue of the certificate and no action shall be against the Supervisor.
- 24.3 Creditors shall not be entitled to receive any payment or dividend under the terms of the CVA unless they are bound by it, either by virtue of Section 5 of the Act or by virtue of an undertaking to that effect, and their claim has been admitted by the Supervisor.
- 24.4 If the Supervisor has received payment from the Company of a percentage of the estimated Unsecured Creditors' claims but have not yet agreed all those claims by the time a dividend is due, the Supervisor may pay dividends to those Unsecured Creditors whose claims are agreed, provided they retain funds at least equal to the dividend that would be paid on the Unsecured Creditors which have yet to be agreed, but have been notified in writing to the Supervisor.

- 24.5 The Supervisor shall have sole discretion to determine the amount to be distributed and he shall be under no obligation to distribute all the monies credited to the CVA from time to time, however it is proposed that the first dividend to creditors of 1 pence in the £ should be paid 6 months from the Effective Date. Any further dividend will be paid as soon as reasonably practicable in the Supervisor's discretion.

25 SUPERVISOR'S REMUNERATION

- 25.1 The Supervisor will be entitled to receive remuneration for his services in accordance with the provisions of SIP 9. All staff who work on this assignment, including cashiers and secretarial staff will charge time directly to the assignment and will be included in the analysis of time spent. However the cost of staff employed in central administration functions are not charged directly to the assignment but are reflected in the general level of charge out rates. In this instance his remuneration will be fixed by reference to the time properly given by him and his staff in attending to matters arising in the CVA together with VAT and disbursements (including for the avoidance of doubt legal fees) having regard to the following matters:-

- 25.1.1 the complexity of the case,
- 25.1.2 any respect in which, in connection with the Company's affairs, there falls on the Supervisor any responsibility of an exceptional kind or degree,
- 25.1.3 the effectiveness with which the Supervisor appears to be carrying out, or to have carried out, his duties as such, and
- 25.1.4 the value and nature of the assets with which he has had to deal.

- 25.2 The Supervisor shall in any event be entitled to draw on account and, from time to time, such sums as he considers appropriate in relation to his accruing costs, rates and any costs incurred by Brackenbury Clark & Co Ltd in respect of tax, VAT, pensions, health and safety and forensic advice provided to the Supervisor be based upon time costs of Brackenbury Clark & Co Ltd.

- 25.3 Notwithstanding any other terms of the CVA all assets held by the Supervisor under the terms of the CVA will be subject to a trust in favour of the Supervisor until full discharge of the Nominee's and Supervisor's fees and expenses, including the expenses of any agents employed by the Nominee and Supervisor. No other trust whether implied or otherwise will be created by this CVA.

- 25.4 The Supervisor shall open a bank account in his name under the style of "Darlington FC Limited - CVA Trust Account". The perpetuity period applicable to the trust in this clause shall be 80 years from the date of the constitution of the trust applicable to the Supervisor's trust account. Any funds which in the opinion of the Supervisor is not required for the immediate purpose of the CVA may be invested in such manner as the Supervisor see fit.

26 SUPERVISOR'S FUNCTIONS

- 26.1 Each of the Creditors and the Company irrevocably authorises the Supervisor to carry out all acts and to exercise all discretions, authorities and powers and duties conferred on him by, or reasonably incidental to, the CVA in order to facilitate the implementation of the CVA.
- 26.2 The Supervisor shall have no duties or responsibilities save those expressly set out in this CVA or otherwise imposed by the provisions of the Act and the Rules.
- 26.3 Each of the Creditors and the Company agree and acknowledge that the Supervisor is not subject to and shall not assume any fiduciary or other special responsibilities to the Creditors or the Company and that all information supplied to the Administrator and the Nominee has been obtained from the Company and/or its management and directors and/or its former employees and/or its former trading partners and/or an associated company and that the Administrator, Nominee and Supervisor do not warrant or represent the accuracy of that information or any part thereof.

The proposed functions of the Supervisor are:-

- 26.4 To receive all funds paid into the CVA and supervise the banking of monies to be applied in accordance with the terms of the CVA;
- 26.5 To agree the Creditors' claims;
- 26.6 To make distributions to the Creditors in due order of priority as prescribed under the terms of the CVA from time to time as and when the Supervisor consider that circumstances permit;
- 26.7 To employ solicitors and other professional advisers to act and advise him in connection with any matters on which he considers such assistance is appropriate, at the expense of the CVA;

- 26.8 To deal with administrative matters in relation to the CVA. To report to Creditors as to the progress of the CVA from time to time;
- 26.9 To authorise the release of funds from the CVA to defend disputed claims where appropriate;
- 26.10 To be entitled, but not obliged, to expend any funds in his hands for the purpose of repairing, completing or altering any assets held by them or the Company or on trust for the purposes of the CVA, provided that he considers it is likely to be to the benefit of Creditors to do so, or the work is required in the interest of safety, or to comply with any statutory obligation. Such an expense will rank as an expense incurred during the course of the CVA by the Supervisor;
- 26.11 To do all such things as he considers necessary to give effect to the CVA. Subject to the right of Creditors or others under Section 6 of the Act he may take such action, enter such agreements and do such things as he deems fit and which in his opinion are in the best interests of the Creditors;
- 26.12 The Nominee and the Supervisor in the absence of bad faith or wilful misconduct on their part shall not be personally liable for any debt or obligation incurred by the Company howsoever arising during the period of the CVA and shall in any event be entitled to a full indemnity from the assets of the Company in respect of any claim or demand made against the Nominee or the Supervisor and/or his firm for any such liability or any other liability of the Nominee or the Supervisor arising out of his position as Nominee or Supervisor and in relation to any steps taken or not taken. If the Nominee or Supervisor makes a claim upon this indemnity such claim will rank pari passu with the Nominee or Supervisor remuneration and expenses under the CVA.

27 RELEASE

- 27.1 In respect of the Nominee on the Effective Date and in respect of the Supervisor on the date of termination of the CVA, the Nominee and Supervisor are respectively released by each Creditor from all liabilities and obligations in respect of all acts and omissions of his or otherwise in relation to his conduct as Nominee or Supervisor. Each Creditor shall and hereby does waive all claims or rights which he may have against the Nominee and the Supervisor's in respect of such matters.

28 NO WARRANTIES OR REPRESENTATIONS

- 28.1 The Administrator, the Nominee and the Supervisor gives no warranties and makes no

representations in relation to the information contained in the CVA and its appendices.

29 RECORDS

- 29.1 The Supervisor shall observe the requirements of Rule 1.26 with regard to the records kept by him, and records to be issued from time to time to the various persons set out in that Rule.

30 CREDITORS CHANGING ADDRESS

- 30.1 It is the duty of every Creditor proving in the CVA to advise the Supervisor of any change of address to which any dividend should be forwarded.

31 CREDITORS COMMITTEE

- 31.1 Where it is so resolved at the Creditors meeting approving the CVA, or at the request of the Supervisor, a Creditors Committee will be established. The rules, functions, powers and administration of the Committee will be those contained in Rules 3.16 - 3.35(A) except references therein to the Administrative Receiver shall be read as references to the Supervisor.

32 VARIATION

The Supervisor may at any time convene General Meetings of the Company and the Creditors for the purpose of varying the CVA. The notice of the meetings shall set out the proposed variation and be accompanied by the Supervisor's report on the reasons for the variation and its expected effect.

- 32.1 So far as is possible, the meetings shall be conducted in accordance with Section 4 of The Act and Rules 1.14 to 1.21 except that:

32.1.1 references to the CVA shall be taken as references to the proposed variation;

32.1.2 references to the Nominee shall be taken as references to the Supervisor;

32.1.3 modifications may not include one intended to replace the Supervisor;

32.1.4 Creditors' claims shall be calculated as at the Effective Date; and

32.1.5 references to 14 days notice shall be read as 7 days or such other period as the Supervisor shall in his absolute discretion determine.

- 32.2 Section 6 of the Act shall not apply to such a meeting as it does to a meeting under Section 4 of the Act.

33 END OF CVA

- 33.1 Upon the CVA becoming unconditional and upon payment of all undischarged administration liabilities, all undischarged costs and expenses of the administration, the Nominee's costs and expenses, the Supervisor's costs and expenses and sums due pursuant to this CVA to the Preferential Creditors and the Unsecured Creditors, and once there are no further funds being held by the Supervisor under the terms of this CVA, then the Supervisor shall issue a Certificate of Completion.

34 VACANCY IN OFFICE OF SUPERVISOR

Should a vacancy arise in the office of the Supervisor, by death or otherwise, the following provisions will apply:-

- 34.1 The office may be assumed by a partner in the former Supervisor's firm within two months of the date of the vacancy arising.
- 34.2 If no alternative supervisor can continue in or assume office in accordance with the above provisions, then a Creditors' meeting will be convened in accordance with the clause dealing with variation set out above.

35 FULL AND FINAL SETTLEMENT

- 35.1 This CVA is in full and final settlement of all claims by all Preferential Creditors and Unsecured Creditors against the Company. Once all payments have been made under the terms of this CVA this will be accepted by the Creditors in full and final settlement of their claim against the Company. This full and final settlement also relates to and includes claims which are liquidated or unliquidated certain or contingent. Any Unsecured Creditors of the Company with a self help remedy or who have issued a legal process including any Creditor with retention of title, lien, distraint, walking possession and/or garnishee orders shall, upon acceptance of the CVA by the requisite majority of creditors, be deemed to have waived such a claim and any proceedings will be discontinued and they will rank alongside other Unsecured Creditors in respect of any such claims pursuant to the terms of the CVA.
- 35.2 This CVA is also made in full and final settlement of any liabilities owed to HM Revenue & Customs for the period to the Effective Date.

- 35.3 Any Preferential or Unsecured Creditor who was not notified of the CVA shall be bound by the CVA in all respects, thereby ranking for dividend purposes. In order to be considered for a dividend, any such Preferential Creditor or Unsecured Creditor shall, within 28 days of becoming aware of the CVA and its terms, notify the Supervisor in writing of its claim. If by the date of such notification payment has already taken place of any dividends to any class of Preferential Creditor or Unsecured Creditor the Preferential Creditor or Unsecured Creditor is not entitled to disturb the distribution of the dividend but is entitled to be paid out of any money at that time being available for the payment in respect of any further dividend, any dividend or dividends which it has failed to receive. Upon successful completion of the CVA any payment made to such a Preferential Creditor or Unsecured Creditor shall be deemed to be made in full and final settlement of that Preferential Creditor's or Unsecured Creditor's claim against the Company.

36 CLAIMS BY A LIQUIDATOR

- 36.1 The Directors have been made aware of their obligations to disclose information relating to circumstances which may give rise to the possibility of claims under the following sections of the Act:
- 36.1.1 Section 238 (Transactions at an Undervalue);
 - 36.1.2 Section 239 (Preferences);
 - 36.1.3 Section 244 (Extortionate Credit Transactions);
 - 36.1.4 Section 245 (Invalidity of a Floating Charge).
- 36.2 Other than as detailed in the CVA, the Directors have informed the Nominee that they are not aware of any other claims that could be made under any of the above provisions and the Directors have not made the Nominee aware of any such claims.

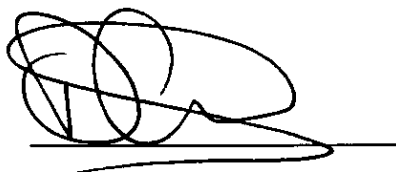
37 NO PERSONAL LIABILITY

- 37.1 Neither the Administrator nor the Nominee, nor the Supervisor nor his staff or any agents employed by him accept any personal liability in connection with the CVA. Further, neither the Administrator nor the Nominee nor the Supervisor nor his staff or any agents employed by him give any warranties whatsoever in connection with the contents of the CVA and any warranties whether express or implied or of any description are hereby expressly excluded.

38 EC REGULATION

- 38.1 The Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings (the **Regulation**) applies and these proceedings are main proceedings as defined by Article 3 of the Regulation.

Signed

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

DAVID CLARK
the Administrator

Darlington FC Limited - Company Voluntary Arrangement
Leeds District Registry No: 581 of 2009

THE INSOLVENCY ACT 1986

TRADING ADDRESS:


Darlington Arena
Neasham Road
Darlington
DL2 1DL

NOTICE IS HEREBY GIVEN pursuant to Part I of the Insolvency Act 1986 that a meeting of creditors of the company will be held at Darlington Arena, Neasham Road, Darlington, DL2 1DL on 17 June 2009 at 11.30 am.

A proxy form is enclosed which, to enable a creditor to vote, must be lodged, together with a statement of claim, at the offices of Brackenbury Clark & Co Limited, Second Floor, 43 St Pauls Street, Leeds, LS1 2JG not later than 12.00 noon on 16 June 2009. The proxy form and statement may be posted or sent by fax to 0113 2461 753.

Secured creditors may only vote for the balance of the debt which will not be recovered by enforcement of the security, unless right to enforce is waived.

DATED THIS 1st DAY OF JUNE 2009



David Nicholas Clark

Administrator

Proxy (Company or Individual Voluntary Arrangements)

Darlington FC Limited – In Administration

Name of Creditor/Member _____

Address _____

Name of Proxy Holder

- 1 _____
 2 _____
 3 _____

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's/member's proxy holder at the meeting of creditors/members to be held on 17 June 2009, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instructions for resolutions

*Please delete as appropriate

Any other resolutions which the proxy-holder is to propose or vote in favour of or against should be set out in numbered paragraphs in the space provided below Paragraph 1. If more room is required please use the other side of this form

1. For the acceptance/rejection* of the proposed voluntary arrangement (with the following modifications)

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor/member has not signed in person

Position with creditor/member or relationship to creditor/member or other authority for signature

Remember: there may be resolutions on the other side of this form

Proof of Debt Form For a Voluntary Arrangement

Name of Company	Darlington FC Limited
------------------------	-----------------------

Please return to:

Brackenbury Clark & Co Ltd Second Floor 43 St Pauls Street Leeds LS1 2JG

Creditors name and**Address**

Important Note: The VAT element of any debt you have outstanding may be reclaimed on your normal VAT return after a period of six months from the relevant invoice date.

Amount of Claim

£

Please attach a detailed statement of your account. If you contend that you have any form of security, please attach details with your statement of claim.
--

Signed on behalf of Creditor**Print Name of Signatory****Position Held****Date****Acknowledgement of Claim by Supervisor**

I formally acknowledge receipt of your total claim in the voluntary arrangement amounting to £_____ as listed above. The claim is scheduled with the other unsecured / preferential creditors for dividend purposes.

Signed for Supervisor**Date**

DC/NB

DARLINGTON FC LIMITED
- IN ADMINISTRATION

Report to creditors pursuant
to Paragraph 49 of
Schedule B1 of the
Insolvency Act 1986 ("the Report")

This Report contains 33 pages

Notice: about this Report

This Report has been prepared by David Nicholas Clark, the Administrator of Darlington FC Limited, solely to comply with his statutory duty under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of his proposals for achieving the purposes of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Darlington FC Limited.

Any estimated outcome for creditors included in this Report is illustrative only and cannot be relied upon as guidance to the actual outcome for creditors.

Any person who chooses to rely on this Report for any purpose or in any context other than under Paragraph 49 of Schedule B1 of the Insolvency Act 1986 does so at his own risk. To the fullest extent permitted by law, the Administrator does not assume any responsibility and will not accept any liability in respect of this Report.

The Administrator acts as agent for Darlington FC Limited and contracts without personal liability. The appointment of the Administrator is personal and, to the fullest extent permitted by law, Brackenbury Clark & Co Ltd does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.

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1. Glossary
2. Introduction
3. Background and events leading up to the appointment of the Administrator
4. Purpose, initial strategy and progress of the Administration
5. Sale of the business and assets, the Football League Share and the Sale/Purchase Agreement with Darlington Football Club 2009 Limited ("the Agreement")
6. Future conduct of the Administration
7. Creditors' meeting
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9. Future reporting

APPENDICES

1. Statutory information
2. Extracts from recent accounts
3. Estimated financial position of the Company as at 25 February 2009
4. Summary of Administrator's time, costs and expenses to 1 June 2009
5. Receipts and payments account for the period from 25 February 2009 until 1 June 2009
6. Creditors' guide to administrator's charging and disbursement policy
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1. GLOSSARY

the Administration	The Administrator, further to a Notice of Appointment, filed in the High Court of Justice, Chancery Division, Leeds District Registry, in respect of Darlington FC Limited, dated 25 February 2009 by the Directors of Darlington FC Limited Court Administration Number 581 of 2009.
Administrator	David Nicholas Clark of Brackenbury Clark & Co Ltd, Second Floor, 43 St Pauls Street, Leeds LS1 2JG;
the Company / the Club	Darlington FC Limited;
CVA	Company Voluntary Arrangement;
Football League	The Football League Limited;
Football League Share	the Club's shareholding in the share capital of the Football League;
FA	The Football Association Limited;
DFC	Darlington Football Club;
PFA	The Professional Footballers' Association;
HMRC	Her Majesty's Revenue & Customs;
Football Regulations	The current articles, rules, regulations and policies of the Football League and the Football Association.

The references in this report to sections, paragraphs or rules are to the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency (Amendment) Rules 2003 respectively.

2. INTRODUCTION

- 2.1 David Nicholas Clark of Brackenbury Clark & Co Ltd, Second Floor, 43 St Pauls Street, Leeds, LS1 2JG was appointed as Administrator of the Company on 25 February 2009.
- 2.2 The Administrator is authorised to act as an insolvency practitioner by the Department of Business, Enterprise and Regulatory Reform (**DBERR**).
- 2.3 In accordance with Paragraph 49 of Schedule B1 Insolvency Act 1986, the Administrator now sets out his proposals for achieving the purposes of the Administration and for the conduct of the Administration (see section 8 of this Report).
- 2.4 The Report also includes certain information required to be provided to creditors in accordance with Rule 2.33 of the Insolvency (Amendment) Rules 2003.
- 2.5 The appropriate statutory information is set out at Appendix 1.
- 2.6 EC Regulations will apply to this Administration and the proceedings will be main proceedings as defined in Article 3 of the EC Regulations. Therefore the Administration will be conducted according to UK insolvency legislation and is not governed by the insolvency law of any other European Union member.
- 2.7 In accordance with paragraphs 49 (4) and (5) of Schedule B1 to the Act, a statement of the Administrator's Proposals was due to be sent to Creditors by 22 April 2009, this being the end of the period of 8 weeks beginning with the day on which the Company entered administration. However, the Court extended this deadline to 4pm on 20 May 2009 on 29 April 2009 pursuant to Paragraph 49 (8) and Paragraph 107 of Schedule B1 to the Act. The court further extended this period by court order. The new deadline for a statement of the Administrators Proposals is 4pm on 17 June 2009.

3. BACKGROUND AND EVENTS LEADING UP TO THE APPOINTMENT OF THE ADMINISTRATOR

- 3.1 The information provided in paragraphs 3.1 to 3.9 is based upon Company records and information provided by the directors of the Club, the accuracy of which the Administrator is unable to substantiate. The Administrator cannot therefore be held personally liable for errors or misstatement of fact contained therein.

- 3.2 Darlington Football Club are based in the town of Darlington and currently play their football in Football League Two. The Club's nickname is "the Quakers", in reference to the religious movement that had a historic influence over the town.
- 3.3 The Club was founded at Darlington Grammar School in 1883 and turned professional in 1908 when it joined the North Eastern League.
- 3.4 The Club has a recent history of financial difficulties. In 1982 the Club faced a financial crisis but survived due to the fund raising efforts of the town, and in 1986 gained their highest ever Football League position of 13th in the Third Division (now known as League One) since the introduction of the current four-division structure in 1958. The Club also experienced two Wembley appearances in play-off finals in 1996 and 2000, losing on both occasions.
- 3.5 The 1999/2000 season saw the Club's first season under the control of new chairman George Reynolds. During the summer of 2002 the Club made approaches to sign Paul Gascoigne and Faustino Asprilla but neither materialised. The Club then relocated from its ground at Feethams to its brand new 25,500 seater stadium on the outskirts of Darlington which was named after the chairman: the Reynolds Arena. A promising new start was anticipated for the Club but on 23 December 2003, the Club entered into administration.
- 3.6 The Club exited administration in September 2004 after the Sterling Consortium took control of the Club with Stewart Davies taking over as chairman. The Company was incorporated on 16 March 2004 and acquired the football club in September 2004 by purchasing the business and assets of the Club from the former owner, Darlington Football Club Limited (The) (company number: 00176086). The Club then appointed Dave Penny as manager following the sacking of Dave Hodgson in October 2006 and plans were put in place for a new training ground and leisure complex. These plans were never implemented.
- 3.7 In December 2008, the Club appointed Raj Singh as vice-chairman with George Houghton retaining the majority shareholding.
- 3.8 The Club entered administration for the second time on 25 February 2009 and have just finished the season in a respectable twelfth position in League Two despite an automatic 10 point deduction on entering administration. The main reasons cited for the Club's financial problems were the economic climate, poor crowd attendance and problems with obtaining planning permission from the Council for surrounding development land. In addition, the Club had inflated player salaries and had a stadium that had a capacity far in excess of what the Club was able to utilise.
- 3.9 Upon administration a number of redundancies were made and deferrals agreed with all players and staff who were retained for March and April. A second round of redundancies were made on 5 May 2009 and deferrals agreed for June. The players and staff are to be congratulated for their efforts, determination and agreement to the deferrals, without which the Club would not have been able to survive.

- 3.10 Dave Penny resigned as first team manager on 30 April 2009, just before the final game of the season. Colin Todd was appointed as his replacement by DFC 2009 on 20 May 2009.

4. PURPOSE, INITIAL STRATEGY AND PROGRESS OF THE ADMINISTRATION

4.1 Purpose of the Administration

- 4.1.1 In accordance with Paragraph 3(1) of Schedule B1 of the Insolvency Act 1986 the Administrator of the Company must perform his functions with the objective of:

- a) rescuing the Company as a going concern; or
- b) achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up; or
- c) realising assets in order to make a distribution to one or more secured or preferential creditors.

- 4.1.2 The first object of rescuing the Company (as a separate legal entity) as a going concern as set out in Paragraph 3(1)(a) is not possible due to the high level of liabilities incurred by the Company. Upon his appointment the Administrator was satisfied that the incumbent director had made every effort over the past few months to obtain additional funding to trade the Club but that this had proved unsuccessful and therefore the option set out in Paragraph 3(1)(a) was unobtainable and therefore could not be pursued any further.

- 4.1.3 Therefore the objective of this Administration is that set out in Paragraph 3(1)(b) which is achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up.

4.2 Initial Administration Strategy

- 4.2.1 Following the appointment of the Administrator, a review of the Company's business was immediately undertaken.

The Administrator identified that:-

- 4.2.2 The major value in the Club derived from its ability to compete in the Football League and various knockout competitions. To do so the Club must hold a share in each of the Football League and the Football Association. The shares can only be transferred to a new company pursuant to the Football Regulations via either a CVA or Scheme of Arrangement or in exceptional circumstances which will be detailed later in this Report;

- 4.2.3 No player sales could be concluded until the transfer window opened at the end of 2008/09 season, and given the limited squad of players currently at the

Club and value within that squad based on independent advice the potential revenue is restricted. A complete sale of the playing squad would not realise any sums for creditors as the Football League would not release funds from a complete sale followed by a shut down scenario. In any event, any proceeds from player sales would have to have been used according to the Football Leagues Rules and Regulations, firstly to pay off sums due under the Football League's transfer account. and then to cover any shortfall in trading costs and expenses of the Administration.

- 4.2.4 Other tangible assets appeared to be minimal when compared to ongoing trading costs. Such assets principally comprised furniture, fixtures and fittings in offices / banqueting suites and stocks of merchandise. Such assets were insufficient to secure funding for continued trading.

4.3 Progress of the Administration

- 4.3.1 On appointment of the Administrator a number of employees were made redundant. In addition, wage deferrals for March and April were agreed with all the remaining staff, including the playing staff. These deferrals have been a critical factor in the Administrator's ability to continue trading.
- 4.3.2 In addition, George Houghton made available the sum of £200,000 to the Administrator to assist the Club in the completion of its fixtures for the remainder of the 2008/09 season and to assist in the running of the Club up until a purchaser was found. The sum of £175,000 has been received to date.
- 4.3.4 In order to assist with the running costs of the Administration, and in the interests of reducing the wage bill, the Administrator saw it necessary on 5 May 2009 to make further staff redundancies with immediate effect, including that of the Assistant Coach.
- 4.3.5 The funds generated from all the above have enabled the Administrator to pay the general trading expenses of the Administration, and enabled the Club to complete its fixtures for the 2008/09 season and to trade during the off-season period whilst a buyer for the Club was sought.
- 4.3.6 The Administrator has provided reports to the Football League on regular occasions and anticipates a meeting shortly to discuss their insolvency policy and to update the Football League on the progress made in rescuing the Club.

5. SALE OF BUSINESS AND ASSETS

5.1 Sale of the business and assets

- 5.1.1 The Club was fully advertised for sale upon the appointment of the Administrator via press statements which were provided to the local and national press on a regular basis in order to attract as much publicity of the sale process as possible. In addition to the media attention, a number of meetings were arranged with local businessmen and conference calls were

held with potential purchasers as far away as America and Greece. In total, 10 confidentiality agreements were signed and the signatories were allowed access to detailed discussions and the due diligence pack.

- 5.1.2 Any interested parties were initially requested to provide proof of funds for at least £2,000,000. This figure was based on the amount required to pay a reasonable return to creditors and to pay off all football creditors in full and to be able to fund the losses of the Club into next season.
- 5.1.3 An initial deadline was set for 20 April 2009 at which point one formal offer was received for the Club. The offer was conditional upon a sale of the stadium and other property being agreed with the proprietor. No such sale was agreed and the offer for the Club was therefore rescinded. The deadline for offers was subsequently extended until 15 May 2009 in order to extract any other interested parties. In the meantime, an "All Stars" game was arranged on 3 May 2009 to raise funds to trade the Club in the off-season. Over 3,000 attended the game.
- 5.1.4 A number of interested parties raised late interest but were either unable to prove funds or did not make a formal unconditional offer for the Club.
- 5.1.5 Following the passing of the deadline for offers on 15 May 2009, there were no remaining bids for the Club. However, Darlington Football Club 2009 Limited (**DFC 2009**) requested negotiations with the Administrator and following a series of conference calls and discussions, an offer was made for the assets of the Club and the Administrator on 22 May 2009, granted DFC 2009 "preferred bidder" status.
- 5.1.6 On 22 May 2009 the Administrator entered into a sale and purchase agreement with DFC 2009 for the transfer of the business and assets of the Company (the **Agreement**), conditional upon the successful transfer of the Football League Share. The price agreed under the Agreement was the sum of £50,000 (the **Price**) plus the provision of a facility. In addition, the Price included the assumption of liabilities and contracts as defined under the Agreement and the release of a debenture in favour of Philip Scott and Graham Sizer dated 3 December 2009 over the assets of the Company on completion. The debenture is to be released by DFC 2009 over the Company with any amount outstanding under the debenture ranking as an unsecured creditor for dividend purposes as against the Company.

5.2 The Football League Share

- 5.2.1 The Company's right to compete in the Football League and remain as a member of the Football Association depends upon it holding a share in each of the Football League and the Football Association. When a football club enters into an insolvency procedure the Football League and the Football Association have the right to require the club in question to transfer its share to another club or organisation. Under the Football League's Articles of Association it is a condition of continued membership of the Football League that all creditors classified by the Football League as Football Creditors are paid in full and the

Football League's insolvency policy is complied with in full. The Football Association also require compliance with the Football League's insolvency policy.

- 5.2.2 I am advised that a CVA for the Company as an exit route from administration is the preferred mechanism pursuant to which the Company's business can be transferred to any new company because of the requirements for transfer of the Club's Football League Share. The main asset of the Club is its shareholding in the Football League. Under the rules of the Football League the Football League Share can only be transferred via a sale to a "Newco" which has been approved via a CVA or, as we understand it, in exceptional circumstances and the decision as to whether exceptional circumstances exist is at the sole discretion of the board of the Football League.
- 5.2.3 The Football League has suspended the Company's share in the Football League generally subject to the possibility of a transfer of the Company's share to a "Newco", which may be subject to conditions dependant upon whether the CVA I am proposing is approved. The Agreement entered into with DFC 2009 was therefore drafted so that completion of the sale is conditional upon the Football League's approval of the transfer of the Football League Share.
- 5.2.4 If the CVA is accepted, and approval is given from the Football League for the transfer of the Football League Share to DFC 2009, the Agreement that the Administrator has reached with DFC 2009 will be completed. If the CVA is rejected by creditors or the Football League reject DFC 2009's request for the transfer of the Football League Share, then the Agreement will be likely to be rescinded by DFC 2009 and the Club will be subject to a 15 to 20 point deduction at the start of the 2009/10 season.
- 5.2.5 If the CVA is accepted by the requisite majority of creditors and no appeal is made within 28 days of the CVA being lodged at court then the Football League share will transfer to DFC 2009 without any further points deduction. If the CVA is not accepted by the requisite majority of creditors then, as we understand it, the Football League's insolvency policy nonetheless potentially allows for the transfer and subsequent registration of the Football League Share through the Football League exceptional circumstances route ("**the Football League Exceptional Circumstances Route**"). If such exceptional circumstances apply, conditions may be imposed by the Football League whereby the Club is likely to suffer a 15 to 20 points deduction at the start of the 2009/10 season.
- 5.2.6 If DFC 2009 are unable to register the Football League Share in their name the Company will not be able to continue its participation in the Football League and the Football Association.
- 5.2.7 All Football Creditors if any (as such are determined by the Football League) will be dealt with by DFC 2009 to the satisfaction of the Football League upon the Football League Share being transferred to DFC 2009. It is the intention of DFC 2009 to assume responsibility for Football Creditors. It should be

emphasised that such payment to the Football Creditors will be made outside the terms of the CVA and payment will be made directly to Football Creditors by DFC 2009. It is not intended therefore that any provision of the CVA shall disturb the statutory order of priority of payments to creditors as set out in the Insolvency Act 1986 by ranking Football Creditors ahead of preferential creditors or other unsecured creditors.

- 5.2.8 On the basis that a CVA will definitely provide for the saving of a football club in Darlington it will provide a minimal dividend for creditors but is to be compared to a zero return under a liquidation and will also retain jobs for the current employees of the Club and will allow for continued trading with suppliers. As a consequence, the Administrator recommends the attached CVA.

6. FUTURE CONDUCT OF THE ADMINISTRATION

6.1 Conclusion of the Administration

- 6.1.1 The Administrator's strategy is dependent on the outcome of the proposed CVA meeting. If the CVA is accepted and the Football League and Football Association agree to the transfer of the Club's shares to DFC 2009, then the Administrator will exit pursuant to Paragraph 80 of Schedule B1 Insolvency Act 1986.
- 6.1.2 If the CVA is not approved, it is likely that the Administrator will exit via a dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986.

6.2 Other Matters

- 6.2.1 As required by the Company Directors Disqualification Act 1986 the Administrator will be preparing a report on the conduct of the directors of the Company. This report will be lodged with the Department of Trade & Industry but its contents will remain confidential.

6.3 Administrator's fees

- 6.3.1 The basis of the Administrator's fees is time properly spent at Brackenbury Clark & Co Ltd's hourly rates. These rates are included in Appendix 2 to this report.
- 6.3.2 In the period from our appointment to 1 June 2009, we have incurred time costs of £71,837.50 representing 494 hours at an average rate of £145 per hour.
- 6.3.3 In accordance with Statement of Insolvency Practice 9, a breakdown of these costs and expenses for each grade of staff is attached at Appendix 4.

6.3.4 Further information is given in the Association of Business Recovery Professionals' publication *A Creditors' Guide to Administrators' Fees*, a copy of which is available upon request or can be viewed at www.insolvency-practitioners.org.uk.

6.3.5 Please note that 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.

6.4 Statement of Affairs

6.4.1 To date a statement of affairs of the Company has not been received from the director of the Company. An estimated financial position of the Company as at 25 February 2009 is however, attached at Appendix 3.

7 CREDITORS' MEETING

7.1 In accordance with Paragraph 51 of Schedule B1 of the Insolvency Act 1986, a meeting of creditors will be held at 10:30 am at Darlington Arena, Neasham Road, Darlington, DL2 1DL on 17 June 2009.

7.2 Formal notice of the meeting, Form 2.20B is attached.

7.3 The purpose of this meeting is to vote on the Administrator's proposals as detailed in section 8 of this report.

7.4 This meeting will be followed at 11:30 am by the meeting called under Section 3 of the Insolvency Act 1986 to allow the creditors to vote on the proposed CVA.

8. ADMINISTRATOR'S PROPOSALS TO ACHIEVE THE PURPOSE OF THE ADMINISTRATION

8.1 The Administrator is of the opinion that the attached CVA Proposals, if approved, could secure the second prescribed objective under Paragraph 3(1)(b) of Schedule B1 of the Insolvency Act 1986; achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up. The Administrator proposes the following resolutions:

Resolution (1):

- to propose the CVA;

Resolution (2):

- that the Administrator be authorised to draw fees on account from the assets of the Company from time to time during the period of the Administration based on time properly spent at Brackenbury Clark & Co Ltd's charge out rates reflecting the difficulty of the assignment. Also, that the Administrator be

authorised to draw disbursements from time to time to include category two disbursements;

- that any costs incurred by Brackenbury Clark & Co Ltd's prior to appointment of the Administrator but for the sole purpose of assisting and advising the Company in respect of the appointment process, be authorised on the same basis as above; and
- that any costs of Brackenbury Clark & Co Ltd's in respect of tax, VAT, pensions, health & safety and forensic advice provided to the Administrator be based upon time costs and shall be paid out of the assets of the Company.

8.2 In the event of the CVA scheduled for 17 June 2009, or any adjournment thereof, is approved;

Resolution (3):

- to exit the Administration at such time as the Administrator deems appropriate by the filing at Companies House and the Court a notice pursuant to Paragraph 80 of Schedule B1 of the Insolvency Act 1986;
- to seek to complete the agreements with DFC 2009 upon such further terms (if necessary) as the Administrator deems fit and the Administrator be authorised to liaise with all relevant parties, bodies or organisations which they deem necessary and/or appropriate for achieving that purpose;
- the Administrator be fully entitled to exercise any and all the powers listed in Schedule 1 to the Insolvency Act 1986 for any purpose set out in these proposals;
- following the filing of the notice under Paragraph 80 of Schedule B1 of the Insolvency Act 1986 as set out above, the Administrator will be discharged from liability in respect of any action by them as Administrator pursuant to Paragraph 98 of Schedule B1 of the Insolvency Act 1986 with immediate effect;
- to continue to do all such things reasonably expedient and generally exercise all their powers as Administrator as he, in his discretion, considers desirable in order to maximise realisations from the assets of the Company in accordance with the objective as set out above.

8.3 In the event the CVA scheduled for 17 June 2009, or any adjournment thereof, is not approved;

Resolution (4):

- to seek to complete the agreements with DFC 2009 upon such further terms (if necessary) as the Administrator deems fit and failing which the Administrator be authorised to conclude a sale of the whole, or part of the business property and assets of the Company, without having to obtain the sanction of the

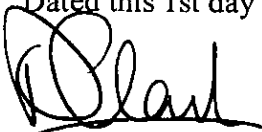
Company's creditors at further creditors' meetings, upon such terms as the Administrator deems fit and they be authorised to liaise with all relevant parties, bodies or organisations which they deem necessary and/or appropriate for achieving that purpose;

- the Administrator be fully entitled to exercise any and all the powers listed in Schedule 1 of the Insolvency Act 1986 for any of the 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 reasonably expedient and generally exercise all their powers as Administrator as he, in his discretion, considers 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 the Administrator;
- when the realisations of the Administration have been completed it is proposed that the Administrator applies 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 the opinion of the Administrator, no better realisations will be made in the Administration than would be available in a winding up, to take the necessary steps to put the Company into either creditors' voluntary liquidation or compulsory liquidation as deemed appropriate by the Administrator; in the event the Administrator deems that liquidation is not appropriate because, for example, no dividend will become available to creditors and there are no other outstanding matters that require to be dealt with in a liquidation, then the Administrator shall file the appropriate notices at Companies House and the Company will subsequently be dissolved;
- if creditors' voluntary liquidation is deemed appropriate at any stage, that David Nichols Clark is appointed as Liquidator of the Company, at the appropriate time without any further recourse to creditors. 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 the proposed Liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved.
- that following the discharge of the Administration, the Administrator be discharged from liability in respect of any action as Administrator pursuant to Paragraph 98 of Schedule B1 of the Insolvency Act 1986 with immediate effect.

9. FUTURE REPORTING

- 9.1 The Administrator is required to provide a progress report within one month of the expiry of the first six months of the Administration.

Dated this 1st day of June 2009

A handwritten signature in black ink, appearing to read 'D N Clark', written over a horizontal line.

D N Clark

Administrator

Acting as Agent of the Company without Personal Liability

Darlington FC Limited – In Administration

Darlington FC Limited – In Administration**STATUTORY INFORMATION**

Company Number:	05074229
Date of Incorporation:	16 March 2004
Registered Office:	c/o Brackenbury Clark & Co Limited 2 nd Floor 43 St Pauls Street Leeds LS1 2JG
Former Registered Office / Principal Trading Address:	Darlington Arena Neasham Road Darlington County Durham DL2 1DL
Authorised Share Capital:	£5,050,000 dividend into 5,050,000 ordinary shares of £1 each
Issued Capital:	£250,000 ordinary shares of £1 each
Shareholders:	DFC Investments Limited – 250,000 ordinary shares of £1 each
Debenture Holders:	Mr Philip Scott and Mr Graham Sizer
Director:	Mr George Houghton
Company Secretary:	Mr James White

APPENDIX 2

Darlington FC Limited – In Administration

EXTRACTS FROM ACCOUNTS

	Period ended 31/10/2007 £	Period ended 31/10/2006 £	Period ended 31/05/2005 £
PROFIT AND LOSS ACCOUNT			
Turnover	2,686,333	3,374,753	
Employment costs	(2,955,908)	(2,810,151)	
External and other operating charges	(2,133,916)	(2,121,093)	
Depreciation of tangible fixed assets	(206,864)	(309,506)	
Administration expenses	-	-	
Other operating income	63,155	42,883	
Operating loss	(2,547,200)	(1,823,114)	
Interest receivable and similar income	7,694	4,515	
Interest payable and similar charges	(123,218)	(77,245)	
Loss on ordinary activities before taxation	(2,662,724)	(1,895,844)	
Taxation	-	-	
Retained loss for the period	<u>(2,662,724)</u>	<u>(1,895,844)</u>	
BALANCE SHEET			
Fixed assets	1,389,913	1,475,735	1,371,485
Current assets	746,225	388,912	337,447
Creditors: amounts due within one year	(2,037,703)	(1,134,557)	(1,260,392)
Net current liabilities	<u>(1,291,478)</u>	<u>(745,645)</u>	<u>(922,945)</u>
Total assets less current liabilities	<u>98,435</u>	<u>730,090</u>	<u>448,540</u>
Creditors amounts falling due after more than one year	5,255,748	3,224,679	1,047,285
Called and Reserves			
Called up share capital	250,000	250,000	250,000
Profit and loss account	<u>(5,407,313)</u>	<u>(2,744,589)</u>	<u>(848,745)</u>
Equity Shareholders' Funds	<u>98,435</u>	<u>730,090</u>	<u>448,540</u>
Directors' Approval	08/12/2008		13/01/2006

APPENDIX 3

Darlington FC Limited – In Administration

ESTIMATED FINANCIAL POSITION OF THE COMPANY AS AT 25 FEBRUARY 2009

Assets	Note	Book Value £	Estimated to realise	
			£ In-situ	£ Ex-situ
Scoreboard	*1		100,000	100,000
Deduct: Clockwork Capital		(105,640)	(105,640)	(105,640)
Shortfall carried down			<u>(5,640)</u>	<u>(5,640)</u>
Pitch Spike and Sprayer	*1		7,500	7,500
Deduct: S G Equipment Finance		(13,005)	(13,005)	(13,005)
Shortfall carried down			<u>(5,505)</u>	<u>(5,505)</u>
Leasehold Property			Nil	Nil
Motor Vehicles			500	500
Coffee Machine			250	100
Stock	*2	44,425	10,000	2,500
Book Debts	*3	85,528	42,764	42,764
Cash at Bank			59,140	59,140
Cash in floats on company premises			13,076	13,076
Goodwill			Nil	Nil
			<u>125,730</u>	<u>118,080</u>
Preferential Creditors				
Employee Arrears of Wages		(63,176)	(63,176)	(63,176)
Holiday Pay		(7,462)	(7,462)	(7,462)
			<u>55,092</u>	<u>47,442</u>
Floating Charge Creditor				
P Scott and G Sizer	*4	(2,500,000)	(2,500,000)	(2,500,000)
			<u>(2,444,908)</u>	<u>(2,452,558)</u>
Unsecured Creditors				
Trade Creditors	*5	4,232,666		
Hire Purchase Shortfalls		11,145		
Employees arrears redundancy & notice pay		243,817		
Players liability on early termination of contracts		<u>547,526</u>	<u>(5,035,154)</u>	<u>(5,035,154)</u>
			<u>(7,480,062)</u>	<u>(7,487,712)</u>
Ordinary Shareholders			(250,000)	(250,000)
Estimated total deficiency			<u>(7,730,062)</u>	<u>(7,737,712)</u>

Darlington FC Limited – In Administration

ESTIMATED FINANCIAL POSITION OF THE COMPANY
AS AT 25 FEBRUARY 2009***Notes to Statement of Affairs**

1. The valuations of the company's scoreboard and pitch spike and sprayer are based upon the level of offers received for these assets. It is anticipated that there will be a shortfall to the hire purchase creditors in respect of these agreements. Accordingly there is no interest for the Administrator.
2. The amount expected to realise for the company's stock has been written down by the sum of £41,925 as the majority of this stock is aged and, furthermore, is subject to retention of title claims.
3. A 50% provision has been applied in respect of the company's outstanding book debt ledger. Such a high provision has been used as a number of the company's book debts have been outstanding for a substantial period.
4. Mr P Scott and G Sizer hold a qualifying floating charge, however, a prescribed part has not be calculated and detailed in the Statement of Affairs as the company's Net Property is unlikely to exceed £10,000.
5. The Statement of Affairs does not include the costs of realisation or the costs of liquidation.
6. The figures for creditors have been extracted from the company's accounting records.
7. The figure shown for trade creditors is broken down as follows:

<u>Creditor</u>	<u>Amount</u>
H M Revenue & Customs – VAT	£204,255
H M Revenue & Customs – PAYE/NIC	£200,121
Trade Creditors	£1,015,927
Directors Loan Account	£130,844
DFC Investments Limited	£2,028,765
Darlington FC (Holdings) Limited	<u>£652,754</u>
	£4,232,666

Brackenbury Clark & Co Ltd
Darlington FC Limited
A4 - Preferential Creditors Statement of Affairs Figures

Key	Name	£
CE11	Redundancy Payments Office Ladywell House Ladywell Road Edinburgh EH12 7UR	70,638.00
1 Entries Totalling		70,638.00

Signature _____

Brackenbury Clark & Co Ltd
Darlington FC Limited
B - Company Creditors

Key	Name	Address	£
CM02	33 Point Media	2nd Floor, Lingfield House, Lingfield Road, McMullen Road, Darlington, DL1 1RW	2,336.55
CA02	AEEC Ltd	25 Bradwell Way, Philadelphia, Houghton le Spring, Tyne & Wear, DH4 4XA	65.80
CA03	Already Sorted Ltd	Java House, Low Hall Lane, Scotton, Richmond, North Yorkshire, DL9 3PL	1,138.62
CA08	Amec UK Shared Services	William Press House, Houghton Road, Darlington, DL1 2ED	1,893.76
CW10	Andrew Wilkinson		600.00
CA04	Arriva North East	Admiral Way, Doxford International Business Park, Sunderland, SR3 3XP	1,586.00
CA07	Audio Visual Services Ltd	5 Copeland Court, Forest Grove Business Park, Riverside Industrial Estate, Middlesbrough, TS1 1RN	868.25
CB01	B3 Architects	Castle Buildings, Womanby Street, Cardiff, CF10 1RG	7,330.24
CB17	Barcelo Redworth Hall Hotel	Redworth, County Durham, DL5 6NL	255.15
CB02	Barclays Merchant Services	DEP MFQ2, Northampton, NN4 7SG	2,186.74
CB03	Bennison Builders	Houghton House, New Road, Team Valley Trading Estate, Gateshead, NE11 0JU	6,900.00
CB04	Biffa Waste Services	Coronation Road, Cressex, High Wycombe, HP12 3TZ	326.97
CB05	Blackwell Grange Moat House	Darlington, County Durham, DL3 8QH	11,275.54
CB06	Bluefin	Minerva House, East Parade, Leeds	262.50
CB19	Booking Services International		153.76
CB18	Bradford City Football Club		434.28
CB11	Brakes		1,590.45
CB07	Brentford Football Club	Eureka Science & Business Park, Ashford, Kent, TS25 4AG	16,656.58
CB08	British Gas	Griffin Park, Braemar Road, Brentford, Middlesex, TW8 0NT	711.97
CS12	British Sky Broadcasting Ltd	PO Box 228, Edinburgh, EH5 1YA	4,738.00
CB09	Browell Smith & Co Solicitors	Sky Business Division, PO Box 1805, Livingstone, West Lothian, EH54 7XG	287.50
CB10	BUPA Hospital Finance	Pearl Assurance House, 7 New Bridge street West, Newcastle upon Tyne, NE1 8AQ	219.66
CC01	C & G Cash Registers	PO Box 212, Salford, Manchester, M5 3PF	109.93
CC02	Cam-Tec Systems	1 Noth Road, Bedale, North Yorkshire, DL8 1AF	96.31
CC03	Carlisle United Football Club	2 Longtens Way, Heighington Lane Business Park, Newton Aycliffe, DL5 6AP	10,961.34
CC04	Carmel RC College	Brunton Park Stadium, Warwick Road, Carlisle, CA1 1LL	35.00
CC05	Catering Friend Ltd	The Headlands, Darlington, County Durham, DL3 8RW	217.68
CC08	Charlton Williamson	Hamilton House, Sotherby Road, Middlesbrough, TS3 8BT	3,525.00
CC00	Chester Le Street District Council	77 Osbourne Road, Newcastle upon Tyne, NE2 2AN	8,738.80
CC10	City Laundry	Riverside Sports Pavillion, Civic Centre, Newcastle Road, Chester-le-Street, DH3 3UT	1,511.05
CC11	Classic Coaches	Unit 38, Pallion Industrial Estate, Tyne & Wear, SR4 6SN	10,096.00
		Classic House, Morrison Road, Annfield Plain, DH9 7RX	

Brackenbury Clark & Co Ltd
Darlington FC Limited
B - Company Creditors

Key	Name	Address	£
CC16	Clockwork Capital	Geraldine Scher, Director, Clockwork Capital, 6-7 Great Chapel Street, London, W1F 8FF	105,641.00
CC17	Colchester United FC Limited	Weston Homes Community Stadium, United Way, Colchester, Essex, CO4 5UP	13,639.38
CB15	Colin Benson - Scout	24 High Lee House, 69 Broad Road, Sale, Cheshire, M33 2ES	77.70
CC09	CoolBlu	PO Box 178, Darlington, County Durham, DL1 9EY	1,646.25
CC14	Coors Brewers Ltd	Dept 3, Leeds, LS6 1ZX	11,498.72
CC12	County Harvest Farm Foods Ltd	Sutherland House, Cleveland Trading Estate, Darlington, County Durham, DL1 2PB	13,738.28
CC15	Crutes Law Firm	Great North House, Sandford Road, Newcastle upon Tyne, NE1 8ND	1,725.00
CD13	Dagenham & Redbridge FC	Dagenham Stadium, Victoria Road, Dagenham, Essex, RM10 7XL	786.35
CD08	Darlington Borough Council	Town Hall, Darlington, County Durham, DL1 5QT	17,033.30
CD01	Darlington FC Holdings Ltd	Avenue House, St Julians Avenue, St Peter Port, Guernsey, GY1 1WA	652,754.00
CB13	David Bagley - Scout	22 Cottesmore House, Browns Green, Handsworth Wood, Birmingham, B20 1DW	309.60
CJ03	David Jones Associates	North West House, 158 Clifton Drive, Blackpool, Lancashire, FY4 1RT	7,755.00
CD03	DCS Payroll Agency	Mowbray Villas, Burdon Road, Sunderland, Tyne & Wear, SR2 7EA	2,903.09
CD04	Deadline ES	22 Queensland Avenue, South Shields, NE34 9DY	415.02
CD12	DFC Investments Ltd	Avenue House, St Julians Avenue, St Peter Port, Guernsey, GY1 1WA	2,028,765.00
CD07	Dicksons Traditional Butchers	Heddon Way, Middlefields Industrial Estate, South Shields, Tyne & Wear, NE34 0NT	2,819.22
CD09	Durham Constabulary	Police Headquarters, Ayley Heads, Durham, DH1 5TT	21,380.76
CE01	E3 Ecology Ltd	Pasture House, Wark, Hexham, NE48 3DG	2,068.00
CE02	Eemits Communication	6 Alvis Court, Cowpen Industrial Estate, Billingham	1,910.46
CE04	Esselles Sports	PO Box 178, Chorley, Lancashire, PR7 5UR	312.80
CE05	Eventcover Productions Ltd	The Old Orchard, Town Farm, Newton, Stockfield, NE43 7UL	22,633.28
CE07	Excel Publishing Co Ltd	Portland Buildings, 127/129 Portland Street, Manchester, M1 4PZ	230.00
CE10	Expenses		6,054.34
CE06	Expotel Hotel Reservations	Kingsgate House, 29-39 The Broadway, Stanmore, Middlesex, HA7 4AN	58.39
CF01	Fibresand UK	Sandhurst Avenue, Mansfield, Nottinghamshire, NG18 4BE	98.70
CN01	Flowers by Natrass	Old House Gardens, Hurworth on Tees, Darlington, DL2 2HD	545.60
CF10	Football in the Community		90.00
CF11	Football League		552.00
CF00	Fox Gas Supplies	Unit 11 Whitbank Park, Whitbank Road, Aycliffe Ind Est, Newton Aycliffe, DL5 6AY	650.54
CG02	G Houghton	Primrose Lodge, Dissington Lane, Ponteland, Newcastle upon Tyne, NE15 0AB	130,844.00
CG03	Gazette Media Company	Gazette Buildings, Borough Road, Middlesbrough, TS1 3AZ	108.13
CB14	George Brown - Scout	14 Boston Street, Sowerby New Road, Sowerby Bridge, HX6 1DP	71.40

Brackenbury Clark & Co Ltd
Darlington FC Limited
B - Company Creditors

Key	Name	Address	£
CG06	Glenwood Paints		1.68
CG01	Graham Fordy Sports Consultant	26 Gypsy Lane, Nunthorpe, Middlesbrough, TS10 1EA	2,070.00
CG07	GW Air Conditioning		396.75
CH15	H M Revenue & Customs	Insolvency Operations, 3rd Floor, Queens Dock, Liverpool, L74 4AF	204,255.00
CE09	H M Revenue & Customs	Enforcement & Insolvency, Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4SE	200,121.00
CH01	Health Partners	Bridge House, 273 Brighton Road, Belmont, Surrey, SM2 5SU	3,874.06
CH02	Hewit Solicitors	207 Newgate Street, Bishop Auckland, County Durham, DL14 7EL	875.00
CH04	Highgate Turkeys	Cocklakes House, Troutbeck, Penrith, Cumbria, CA11 0SG	3,507.89
CH05	Highways Agency	Room C1, 5 The Broadway, Broad Street, Birmingham, B15 1BL	40,087.50
CH10	Holiday Inn Farnborough		1,144.90
CH07	Hospitality Guaranteed	The Old Brewery, Castle Eden, Durham, TS27 4SU	1,567.41
CH11	Hotels - 1st Team Travel		191.00
CH12	HR Wizard		1,913.00
CH08	HSS Hire Shop		170.98
CH09	Huddersfield Town FC	MGA Centre, Cleveland Street, Darlington, County Durham, DL1 2NX	5,913.81
CH06	Hummersknott Comprehensive School	The Alfred McAlpine stadium, Huddersfield, HD1 6PX	1,230.00
CI01	Ipswich Town FC	Edinburgh Drive, Darlington	10,417.90
CI02	ITW Graphics	Portman Road, Ipswich, Suffolk, IP1 2DA	233.15
CB1A	J Bradley	Sporting ID, Unit 17, Airport Industrial Estate, Kingston Park, NE3 2EF	2,900.00
CN05	J Nixon	Unit A Canal Side Works, Awwsworth Road, Ilkston, Derbyshire, DE7 8JF	1,942.60
CJ04	JR Holland	Team Valley Trading Estate, Gateshead, Tyne & Wear	1,448.84
CK01	Kajima Darlington School	Sunderland House, 5-7 The Friars, Newcastle upon Tyne, NE1 5XE	1,586.27
CK02	Kevin Luff	Unit 38, 1-4 Christina Street, London, EC2A 4PA	225.00
CK03	Kone Escalators	Worth Bridge Road, Keighley, West Yorkshire, BD21 4YA	887.50
CL03	Lanchester Dairies	Upper House Farm, Lanchester, Durham, DH7 0RL	158.70
CL02	Lanchester Wine Cellars Ltd	Greencroft Estate, Tower House, Anfield Plain, Stanley, DH9 7XP	243.91
CL08	Lloyd Ltd		540.27
CL06	Lochinvar Ltd	7 Lombard Way, The NXL Centre, Banbury, Oxfordshire, OX16 4TJ	634.88
CL01	Lodestone Patient Care Ltd	South Durham MRI, Hollyhurst Road, Darlington, County Durham, DL3 6UA	800.00
CL07	Logic TMS	Sophia House, 9Southwell Road, Staple Hill, Bristol, BS16 4QG	3,622.50
CM05	M & J Seafoods	c/o Moore Stephens, St Pauls House, Warwick Lane, London, EC4M 7BP	353.47

Brackenbury Clark & Co Ltd
Darlington FC Limited
B - Company Creditors

Key	Name	Address	£
CM00	Marketing & Promotions	6 Fairmead Rise, Kings Norton, Birmingham, B38 8BS	343.10
CM06	Mobilis Sport	100 Shaw Road, Oldham, OL1 4AY	716.35
CM07	Mr G Metcalfe	Highfields, Brafferton, Darlington, DL1 3LB	200.00
CN010	Mr Louw Van Niekerk	Centre for Sports Injuriy, Friarage Hospital, Northalleton, North Yorkshire, DL6 1JG	1,200.00
CS28	Mr P Scott and G Sizer		2,500,000.00
CM01	MT Print	North Park House, Whessoe Road, Darlington, Co Durham, DL3 0YL	21,694.93
CN11	Nationwide Franking Sense Ltd	Nationwide House, Moss Bank Way, Bolton, BL1 8NP	239.20
CN02	NECC Telecom	Telecom House, Princess Way, Lud Prudhow, Northumberland, NE42 6NJ	1,152.89
CB12	Nigel Brown - Scout	30 Pyenest Avenue, Pyenest, Halifax, HX2 7HT	1,108.90
CN12	Noble Vehicle Hire	Insolvency Department, Norflex House, 20 Allington Way, Darlington, DL1 4DY	134.32
CN04	North East Chambe of Commerce	Aykley Head Business Centre, Aykley Heads, Durham, DH1 5TS	215.99
CN06	North East Electrical Supplies	Unit 1a, Laurel Way Industrial Estate, Bishop Auckland, Co Durham, DL14 7HF	272.83
CN07	Northstar Capital Projects	Houghton House, New Road, Team Valley Trading Estate, NE11 0JU	11,454.00
CN08	Northumbrian Water	Customer Accounts Centre, Po Box 200, Durham, DH1 5WG	6,915.08
CN10	Npower (elec)	Po Box 8201, Oldbury, West Midlands, B69 2RH	32,193.10
CN09	NS Hygiene	Unit 20 Nestfield Industrial Estate, Darlington, Co Durham, DL1 2NW	177.00
CO01	O2	260 Bath Road, Slough, Berkshire, SL1 4DX	823.43
CO02	Omega EFA Ltd	Team Nutrition, Spring House 1 Well Lane, Yealand Redmayne, Camforth, LA5 9SX	2,184.00
CP09	Peterborough United FC	London Road, Peterborough	36,498.08
CP02	Petron Design Ltd	Webster Mills, Webster Street, Dewsbury, West Yorkshire, WF13 2IY	560.50
CP03	Phoenix Fire Systems Ltd	40 High Street, Royston, Bamsley, South Yorkshire, S71 4RF	517.50
CP04	Photofirst Photography	15 Tembeck Way, Thornaby on Tees, Cleveland, TS17 9RF	800.00
CP05	PHS Group Plc	Western Industrial Estate, Caerphilly, CF83 1XH	2,113.12
CP06	Physio Med Services Ltd	Glossop Brook Business Park, Glossop, SK13 7AJ	891.21
CP07	PML Sports Management	Linkton House, 7 Rosebriars, Esher Park Avenue, Eshire, Surrey, KT10 9NN	4,582.50
CP01	Premier League Medical Insurance	Medical Centre Scheme, Bridge House, 273 Brighton Road, Belmont, Surrey, SM2 5SU	26,837.50
CQ01	Quality Food Services Ltd	Fresh Produce & Flower Centre Unit 1, Easter Park, Barton Road, Riverside, Middlesbrough, TS2 1RY	4,983.31
CQ02	Quest for Finance		360,000.02
CR01	Ravenstock MSG	Tees Offshore Base, Dockside Road, South Bank, Middlesbrough, TS6 6UZ	146.01
CS24	Ray Simpson		600.00
CK05	RBOS Soccer Apparal		239.20

Brackenbury Clark & Co Ltd
Darlington FC Limited
B - Company Creditors

Key	Name	Address	£
CR02	Recognition PR	Lingfield House, Lingfield Point, McMullen Road, Darlington, Co Durham, DL1 1RW	2,151.67
CR03	Redworth Hall	Redworth, Co Durham, DL5 6NL	255.15
CR04	Reflex	Falcon House, Falcon Court, Stockton on Tees, TS18 3TX	15,953.34
CR05	Ringtons Ltd	Algernon Road, Po Box 3, Newcastle Upon Tyne, NE6 2YN	619.51
CR06	Ripley Communications	123 High Street, Normanston, West Yorkshire, WF6 1NW	609.50
CR07	Rowlands Pharmacy	Gunns, Whinbush Way, Darlington, Co Durham, DL1 3RT	22.84
CS27	S G Equipment Finance Ltd	Parkshot House, 5 Kew Road, Richmond, Surrey, TW9 2PR	13,005.00
CS13	S&L Sports UK Ltd	135 Front Street, Shester-le-Street, County Durham, DH3 3BL	809.74
CS01	Safechem	Drum House, Drum Industrial Estate, Birtley, Co Durham, DH2 1SR	346.39
CS02	Sash Leisure	C/O Bibby Financial Services, 5a Tower House, St Catherines Court, Sunderland Enterprise Park, Sunderland, SR5 3XJ	281.80
CS04	Scottish & Newcastle Brewery	1 Deer Park Road, Livingstone, EH54 8AG	2,702.22
CS06	Secure Trading	Europeans Operations Centre, Parc Menai, Bangor, Gwynedd, LL57 4BL	34.75
CS07	Select	5 Burnt House Close, Hanover Estate, Winterton, Tyne & wear	343.85
CS08	Selecta UK LTD	Unit 2, Cartel Business Park, Wade Road, Basingstoke, Hants, RG24 8FW	259.49
CS09	Sheriff Amenify	Cambridge House, Nottingham Road, Stapleford, Nottingham, NG9 8AB	1,282.26
CS10	Sho ITD	Henbury Hosue, 1 Friars Road, Newport, Gwent, NP20 4EXZ	1,862.97
CS11	Shorts of Whitburn Ltd	Mill Lane Works, Mill Lane, Whitburn, Sunderland, SR6 7NA	1,393.49
CS14	Smiths (North East)	11 Bridghouse, Burtee Road, Newton Aycliffe, DL5 6HZ	253.00
CS16	Soccarena	Broomside Park, Belmont Industrial Estat, Durham, DH1 1GG	717.60
CS17	Southend United FC	Roots Hall, Victoria Avenue, Southend on Sea, Essex, SS2 6NQ	1,465.84
CS26	Sponsorbank		149.50
CS18	Sportskit Pro Soccer	SPD House, 2-3 Harwell Road, Nuffield Industrial Estate, Poole, Dorset, BH17 0GE	190.30
CS20	St John Ambulance	Durham Business Centre, Littleburn Road, Langley Moor, Durham, DH7 8HG	2,472.96
CS19	Stanland Group Ltd	132 Parliament Road, Middlebrough, TS1 4JQ	778.13
CS21	Stocktake UK	The Water Mill Park, Broughton Hall, North Yorkshire, Skipton	287.50
CS22	Stuart Canvas Products	Warren Works, Hardwick Grange, Warrington, Cheshire, WA1 4RF	9,372.50
CT02	Tate Security Technology Ltd	Systems House, Little Lane, Goose Green, Wigan, WN3 6PX	906.81
CT03	Teeside Beers	Unit 2&3, Portrack Grange Road, Portrack Industrial Estate, Stockton on Tees, Cleveland, TS18 2PH	367.75
CA05	The Auto Centre	198 Neasham Road, Darlington, County Durham, DL1 4DF	152.75
CT12	The Bentley Hotel	New Ark Road, South Hykeham, Lincoln, LN6 9NH	25.00

Brackenbury Clark & Co Ltd
Darlington FC Limited
B - Company Creditors

Key	Name	Address	£
CT04	The Cup Company	Unit 10E, The Grip Industrial Estate, Linton Cambridgeshire, CB1 6RN	806.40
CD06	The Devonport	16-18 The Front, Middleton One Row, Darlington, DL2 1AS	2,650.00
CT11	The Football League Limited Pension and Life A C/o The Football League Limited, Edward V11 Quay, Navigation Way, Preston, PR2 2YF		10,644.00
CS23	The Scene		458.85
CS05	The Scouting Network	Bordesley Hall, The Holloway, Alvchurch, Birmingham, B48 7QA	2,086.80
CY01	The Yoga Coach	Hayley Del Sanderson, 11 Balmoral Terrace, York, YO23 1HR	825.00
CT05	Thirlaway Butchers	12 Newbottle Street, Houghton le Spring, Tyne & Wear, DH4 4AB	1,464.66
CT06	Thompson Medd	St Helens Industrial Estate, Bishshop Aukland, County Durham, DL14 9AD	4,161.83
CT07	Ticketmaster Systems Ltd	International House, Stubbs Gate, Newcastle upon Tyne, ST5 1LU	2,115.15
CT08	Trendsetters Display LLP	Unit G11, Morton Park, Darlington, County Durham, DL1 4PQ	229.99
CT01	TSG Newcastle	Kingsway North, Team Valley, Gateshead, Tyne & Wear, NE11 0EG	4,336.86
CT13	TSG Newcastle		4,336.86
CT09	Turfcare Specialists Ltd	Unit 1-4 Grag Works, Pont Lane, Leadgate, Consett, County Durham, DH8 6LA	519.27
CT10	Tyneside Foodservices	Patterson Street, Blaydon Haughs Industrial Estate, Blaydon, Tyne & Wear, NE21 5SD	10,359.92
CU01	Umbro International	Umbro House, Lakeside, Cheadle, SK8 3GQ	50.00
CV01	Vandanel Sports Ltd	Unit7, Prospect Business Park, Langston Road, Loughton, Essex, IG10 3TR	23,070.03
CW01	Walkers Snack Services Ltd	Credit Control Dept, 1600 Arlington Business Park, Theale, Reading, RG 7 4SA	104.68
CW03	Ward Hadaway	Sandgate House, 102 Quayside, Newcastle upon Tyne, NE1 3DX	42,835.48
CW02	Wardell Armstrong	Accounts Dept, Sir Henry Doulton House, Forge Lane Erruria, Stoke on Trent, S11 5NN	8,581.21
CW04	Waters & Robson	Abbey Well, Morpeth, Northumberland, NE61 6JF	304.30
CW05	Wildchids	58-64 North Road, Darlington, County Durham, DL1 2EQ	393.82
CW06	Woodlands Hospital	Morton Park, Darlington, County Durham	135.00
CW07	Woodward Foodservices	PO Box 133, Deesside, CH5 2ZB	2,811.83
CW11	Wrexham Football Club		4,731.04
CW08	Wrights Office Supplies	Unit 1b, Henson Road, Yarm Road Business Park, Darlington, County durham, DL1 4QD	371.49
CW09	Wycombe Wanderers	Adams Park, Hilbottom Road, High Wycombe, Bucks, HP12 4HJ	3,500.00
CZ01	Zibrant	2 Prospect Place, Pride Park, Derby, DE24 8HG	0.64
CZ02	Zoia Sports	35 Thorold Road, Wood Green, London, N22 8YE	984.80
183 Entries Totalling			6,851,277.30

Signature _____

Darlington FC Limited – In Administration

TIME ANALYSIS IN HOURS
AT 1 JUNE 2009

	<u>Partner</u>	<u>Manager</u>	<u>Senior/ Administrator</u>	<u>Total</u>
Administration & Planning	45.2	47.1	73.7	166.0
Creditors	1.5	11.0	6.0	18.5
Cashiering	3.5	10.0	21.1	34.6
Investigations	0.0	0.0	0.0	0.0
Realisation of Assets	0.7	0.0	0.0	0.7
Trading	60.4	86.7	127.1	274.2
Total	<u>111.3</u>	<u>154.8</u>	<u>227.9</u>	<u>494.0</u>

Total Time Costs £ 71,838

Total Hours 494

Average Hourly
Rate £ 145

Darlington FC Limited – In Administration

RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD FROM 25 FEBRUARY 2009 TO 1 JUNE 2009

RECEIPTS

£

Gate Receipts	108,819.87
Carvery	15,109.80
Functions	3,210.13
Sponsorship	19,794.21
Misc Income	19,922.37
Funding	175,000.00
Car Parking	8,019.30
Lottery	2,018.92
Bars	46,538.22
Conferencing	33,809.90
Club Shop Sales	13,434.56
Programme Sales	9,027.56
Book Debts	34,677.70
Cash at Bank	52,481.97
Cash	19,140.94
Donations	7,889.00
Bank Interest Gross	10.57
Football League Youth Funding	25,000.00
FL Youth Expenses Contribution	3,600.00
VAT Payable	34,581.55
	<hr/>
	632,086.57

PAYMENTS

PAYE/NIC	15,094.24
Labour	98,281.50
Pensions	2,847.61
Water	5,928.99
Travel	11,632.37
Telephone	2,715.17
Special Events	1,600.00
Insurance	8,277.92
Bank Charges	956.68
Other Matchday Expenses	3,000.00
Lease/HP Payments	5,893.07
Hire of Equipment	15,052.06
Repairs & Maintenance	350.00
Sundry Expenses	2,046.73
Football League Commissions	1,856.87

Darlington FC Limited – In Administration

RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD FROM 25 FEBRUARY 2009 TO 1 JUNE 2009

£

Vehicle Running Costs	712.78
Hire of Facilities	2,946.34
Cleaning	523.69
Bars	24,277.68
Entry Fees	515.00
Catering	21,434.04
Team Hotel Costs	3,747.64
Match Video Costs	1,125.00
Programme Costs	6,538.00
Stewarding	12,385.01
Police	7,721.10
Ambulance Costs	2,341.00
Bordereau	480.00
Legal Fees	13,255.99
Statutory Advertising	139.18
Bank Charges	522.97
VAT Receivable	13,121.67
	<hr/>
	287,320.20
Balances in Hand	344,766.37
	<hr/>
	<u>632,086.57</u>

Darlington FC Limited – In Administration**BRACKENBURY CLARK & CO LIMITED
DISBURSEMENTS RECOVERY POLICY - SIP 9****Category 1 disbursements**

Bordereau/ insurance	Charged at cost
Case advertising	As per advertisers/ agents invoice
Courier	Charged at cost
DTI IVA registration fee	Charged at cost (in relevant cases)
Land Registry/ Searches	As per Land Registry, agents or Companies House invoice
Postage and stationery	Based on the Insolvency fees order 1986 For all official stationery, printing, postage and telephone charges including notices to creditors and contributories in respect of the first meeting of creditors and contributories: <ul style="list-style-type: none"> (i) For a number of creditors and contributories not exceeding 25 £175 (ii) For every additional 10 creditors and contributories or part £40 <p>Where any other meeting of creditors and contributories are held by the office holder for the summoning and holding of those meetings:</p> <ul style="list-style-type: none"> (i) For a number of creditors and contributories not exceeding 25 £155 (ii) For every additional 10 creditors and contributories or part £20
Post re-direction	Charged at cost
Storage	Pro-rata per number of boxes per storage charge invoice. An external records storage provider provides this facility to the firm. Charges are currently £1.95 for each box and £4 per box per annum storage
Subsistence	Charged at cost
Travel	Charged at cost for public transport and taxis. Car travel charged at 40p per mile.

Category 2

Room hire	£140 for room hire made available in-house for creditors' meetings, based on the external market rate for the provision of appropriate meeting room hire. Charge is only be made when attendance of debtor/ director and/or creditors is likely and a meeting room has been set aside. Where appropriate, external room hire at cost (Category 1)
Additional Notes	Room hire: based on estimates provided by four local external providers for meeting room facilities, the average rate arrived at is less than the amount charged by these providers

Darlington FC Limited – In Administration**TIME COST ANALYSIS - EXPLANATION OF WORK DONE**

Category	Examples of Work
Administration and Planning	Case planning, case reviewing, administrative set-up, appointment notification, maintenance of records, statutory reporting and compliance.
Cashiering	Maintenance of cash books, bank reconciliation, processing receipts and payments, statutory returns
Investigations	SIP 2 review, CDDA reports, Investigating antecedent transactions
Realisation of Assets	Identifying, securing, insuring assets, retention of title, debt collection, property, business and asset sales free from encumbrance, dealing with charged assets, correspondence with secured creditor, and verification of security documentation.
Trading	Management of operations, accounting for trading, On-going employee issues
Creditors	Communication with creditors, creditors' claims (including employees' and other preferential creditors'), adjudication on claims and closure.

Details of the charge out rates of staff employed by Brackenbury Clark & Co Limited are as follows:

STAFF GRADE	CHARGE OUT RATE FROM £ PER HOUR	TO £ PER HOUR
Director / Associate	200	250
Senior Manager / Manager	150	200
Senior	100	150
Case Administrator	50	100
Cashiering	50	100
Clerical	25	50

Darlington FC Limited – In Administration

ESTIMATED OUTCOME STATEMENT AS AT 1 JUNE 2009

	ERV CVA £	ERV Liquidation £
Assets		
Estimated surplus arising from administration	50,000	0
Preferential Creditors		
Arrears of wages & holiday pay	(15,000)	(70,638)
	<u>35,000</u>	<u>(70,638)</u>
Floating Charge Creditor		
P Scott and G Sizer	-	(2,500,000)
	<u>35,000</u>	<u>(2,570,638)</u>
Unsecured Creditors		
P Scott and G Sizer	(2,500,000)	-
Trade and expense creditors	(922,067)	(922,067)
H M Revenue and Customs	(404,376)	(404,376)
G Houghton	-	(130,844)
DFC Holdings Ltd	-	(652,754)
DFC Investments Ltd	-	(2,028,765)
Estimated liability arising on early terminations of players' contracts	-	(210,506)
Football creditors	-	(634,315)
National Insurance fund and employees	(35,000)	(243,817)
	<u>(3,861,443)</u>	<u>(5,227,444)</u>
Deficiency as regards unsecured creditors	(3,826,443)	(7,798,082)
P in £ dividend	0.009	0

Rule 2.35

Notice of a meeting of Creditors

Name of Company Darlington FC Limited	Company number 05074229
In the High Court of Justice Leeds District Registry (full name of court)	Court case number 581 of 2009

(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)
Dave Clark
Of Brackenbury Clark & Co Ltd
Second Floor
43 St Pauls Street
Leeds
LS1 2JG

(b) Insert full name and
address of registered
office of the company

that a meeting of creditors of (b)

Darlington FC Limited
c/o Brackenbury Clark & Co Ltd
Second Floor
43 St Pauls Street
Leeds, LS1 2JG

(c) Insert details of place
of meeting

is to be held at (c) Darlington Arena, Neasham Road, Darlington, DL2 1DL

(d) Insert date and time
of meeting

on (d) 17 June 2009 at 10.30 A.M.

The meeting is:

*Delete as applicable

- *(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')
- *(2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule
- *(3) to consider revisions to my proposals under paragraph 54(2) of the Schedule
- *(4) a further creditors' meeting under paragraph 56 of the Schedule
- *(5) a creditors' meeting under paragraph 62 of the Schedule.

I invite you to attend the above meeting.

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented.

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting, details in writing of your claim

Signed



Administrator

Dated

01/06/09

*Delete as applicable

A copy of the proposals is attached

Proxy (Administration)

Darlington FC Limited – In Administration

Name of Creditor

Address

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Name of Proxy Holder

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 17 June 2009, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instructions for resolutions

*Please delete as appropriate

1. For the acceptance/rejection* of the administrator's proposals/revised proposals* as circulated

2. For the appointment of

of

representing _____

as a member of the creditors' committee

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS

Only to be completed if the creditor has not signed in person

Position with creditor or relationship to creditor or other authority for signature

Remember: there may be resolutions on the other side of this form

Proof of Debt Form For an Administration

Name of Company	Darlington FC Limited
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Please return to:

Brackenbury Clark & Co Ltd Second Floor 43 St Pauls Street Leeds LS1 2JG

Creditors name and

Address

Important Note: The VAT element of any debt you have outstanding may be reclaimed on your normal VAT return after a period of six months from the relevant invoice date.

Amount of Claim	Please attach a detailed statement of your account.
£	If you contend that you have any form of security, please attach details with your statement of claim.

Signed on behalf of Creditor	
Print Name of Signatory	
Position Held	
Date	

Acknowledgement of Claim by Administrator / Joint Administrator	
I formally acknowledge receipt of your total claim in the Administration amounting to £_____ as listed above. The claim is scheduled with the other unsecured / preferential creditors for dividend purposes.	
Signed for Administrator	Date
DC/NB	