

The Insolvency Act 1986

R2.47**Notice of move from
administration to creditors'
voluntary liquidation**Pursuant to paragraph 83(3) of Schedule B1 to the
Insolvency Act 1986 and Rule 2.47 of the Insolvency
(Scotland) Rules 1986

Name of Company

Gretna Football Club Limited

Company number

SC249414

(a) Insert full
name(s) and
address(es) of
administrator(s)We (a) David James Elliot
Wilson Field Limited
The Annexe, The Manor House
260 Ecclesall Road South
Sheffield
S11 9PSLisa Jane Hogg
Wilson Field Limited
The Annexe, The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS(b) Insert name and
address of the
registered office of
companyhaving been appointed administrators of (b) Gretna Football Club Limited C/o Irwin Mitchell Stewart
House 123 Elderlie Street Glasgow(c) Insert date of
appointment

on (c) 12 March, 2008

(d) insert name of
appointor/applicant

by (d) Scotland Court of Session

hereby give notice that

the provisions of paragraph 83(2) of Schedule B1 to the Insolvency Act 1986 apply, and it is
proposed that (e) David James Elliot and Lisa Jane Hogg will be the liquidators of the company (IP
Nos 5632 and 9037)

We attach a copy of the final progress report

Signed

Joint / Administrators

Dated

5 August 2008

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
formDavid James Elliot
Wilson Field Limited
The Annexe, The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

DX Number

01142356780
DX ExchangeSCT 7/8/08 53
COMPANIES HOUSE

SVDGT22D

SCT 07/08/2008 1163
COMPANIES HOUSEWhen you have completed and signed this form, please send it to the
Registrar of Companies at
Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
DX 235 Edinburgh / LP 4 Edinburgh 2

IN THE COURT OF SESSION SCOTLAND

IN THE MATTER OF GRETNA FOOTBALL CLUB LIMITED

AND

IN THE MATTER OF THE INSOLVENCY ACT 1986 AS AMENDED BY THE ENTERPRISE ACT
2002

JOINT ADMINISTRATORS' FINAL PROGRESS REPORT TO
CREDITORS PURSUANT TO RULE 2.47 & 2.110 OF THE
INSOLVENCY RULES 1986 AS AMENDED BY THE INSOLVENCY
(AMENDMENT) RULES 2003

INTRODUCTION

This report to creditors is made pursuant to Rule 2 47 and 2 110 of the Insolvency Rules 1986 as amended by the Insolvency (Amendment) Rules 2003

STATUTORY INFORMATION

Company name	Gretna Football Club Limited ("the Company")
Registered address	Irwin Mitchell, Stewart House, 123 Elderslie Street Glasgow G3 7AR
Former registered address	Raydale Park, Dominion Road, Gretna, Dumfriesshire, DG11 6AP
Other trading names of the Company	None
Company number	SC249414
Date of incorporation	14 th May 2003
Objects	Football club and sporting activities
Authorised capital	6,071,179 Shares of £1 each
Issued capital	6,071,179 Shares of £1 each
Shareholders	WB Newco 15 Limited – 6,069,939 Rowan Alexander – 100 Stephen Barker – 100 John Glass – 100 Alan Dalrymple – 100 William Hume – 100 Brian Fulton – 100
Debenture Holder	Lloyds TSB Bank Plc – bond and floating charge, registered 29 th September 2006 This has been erroneously referred to in the documents filed at Companies House as Lloyds TSB Scotland Plc
Directors	Mark Clive Hampton – resigned Ronald Bruce MacGregor Brooks George Mileson Paul Jan Grootendorst – resigned 02/12/2005 Steven Barker – resigned Brian Dominic Quigley – resigned 30/10/2007 Craig Mileson – resigned 26/03/08
Company Secretary	Helen Summers MacGregor

COURT HAVING CONTROL OF ADMINISTRATION PROCEEDINGS AND JOINT ADMINISTRATORS' APPOINTMENT

The Court of Session, Scotland, Petitions Department, Parliament House, Parliament Square, Edinburgh, EH1 1RQ is the Court seized of the Administration proceedings

On 12 March 2008, the Directors filed a Notice of Appointment of an Administrator pursuant to Paragraph 22 of Schedule B1 of Schedule B1 to the Insolvency Act 1986 David James Elliot and Lisa Jane Hogg of Wilson Field Limited, The Annexe, The Manor House, 260 Ecclesall Road South, Sheffield S11 9PS were appointed Joint Administrators of the Company

David James Elliot and Lisa Jane Hogg are Insolvency Practitioners licensed by The Department for Business and Enterprise & Regulatory Reform (Formerly known as the Department of Trade and Industry), 4th Floor West, 45/46 Stephenson Street, Birmingham B2 4UZ It is intended that all the functions of the Administrators, David James Elliot and Lisa Jane Hogg, may be exercised by them jointly or by each of them separately and on behalf of each other

It is considered that the EC Regulation on insolvency proceedings will apply and that these proceedings will be main proceedings as defined in Article 3 of the EC Regulation

JOINT ADMINISTRATORS' STRATEGY

The proposals of the Joint Administrators as agreed by creditors on 8th May 2008 were to realise the assets of the Company, in such a manner as they consider expedient, with a view to achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)

The Company was allowed to continue to trade and fulfilled all of its fixtures for the 2007/8 season This was funded by monies advanced by the SPL and whilst offers were sought for a purchaser to acquire the ground and footballing interests, it proved that a purchaser could not be found The Company is now in a position to realise the ground without the assumption of football and offers have been received and negotiations are ongoing

PROGRESS SINCE MEETING OF CREDITORS HELD ON 8 MAY 2008

LATE OFFER

The Joint Administrators requested best and final offers to acquire the ground and footballing interests prior to the end of the footballing season and the Joint Administrators made it clear that if the "Club" could not be sold prior to the end of the season, then it would close No offers were received prior to the final game being played and accordingly the Joint Administrators called a meeting of the playing staff and administrative staff for Monday 19th May 2008 with a view to making redundancies On 17th May 2008 an offer was forwarded to the Joint Administrators' solicitors and this was considered at the meeting on 19th May, prior to the meeting with the employees The offer was not capable of being accepted in its original form and it was agreed with the offeror that redundancies should proceed and that the offer may be revised and that the playing staff and the administrative staff were not essential to the offer Accordingly, all employees were made redundant on 19th May 2008

The offeror revised his intentions and the Joint Administrators agreed to put this forward to the footballing authorities. A number of meetings took place where the proposals of the offeror were considered and it transpired that a number of points could not be resolved. In particular, the ground was not up to standard and it would not be possible to improve the ground in time for the beginning of the 2008/09 season, although the offeror did have plans to improve the ground after the beginning of the season. The Club was automatically relegated from the Premiership into the Football League and the Football League decided that it should play in the third division. The offeror had assumed that football would be played in the first division and that was the basis on which the business plan had been produced. On this basis the offeror withdrew the offer. At the AGM of the SFL held on 29th May 2008, the decision that the Club would be allocated membership of the third division was confirmed. The prospective purchaser formally confirmed that he was withdrawing his offer and the Administrators confirmed that Gretna would resign from the SFL.

RE MARKETING

It is now apparent that football would not be played in any of the Scottish divisions of the Football League and that the Administrators would now need to re market the property without the assumption that football was to be played. Eddisons Commercial of Leeds, agents appointed by the Administrators, proceeded to market the property and contact a number of parties who had expressed interest in commercial development of the ground. It was felt necessary to put 24 hour security measures in place and considerable resistance was met by parties wishing football to continue. This resulted in a barricade being placed across the entrance to the ground which prevented the Administrators from selling some of the chattel assets. It also made certain prospective purchasers wary of possible future disruption and/or obstruction in the future.

LAND OWNERSHIP

The Joint Administrators had been aware for some time that rumours were circulating that a challenge regarding the ownership of the land was pending, however, it wasn't until this late stage that formal representations were made. The Joint Administrators do not believe that a challenge as to ownership of the land will succeed and draw to the creditors' attention the following points

- 1 Administrators have obtained Counsel's opinion
- 2 The company's bankers have registered a charge on the land in respect of company debt
- 3 The land was shown in the company's 2006 accounts
- 4 Consideration was paid and accepted in respect of the acquisition of the land

CURRENT OFFERS

Five serious offers have been received to date. Each offer has individual requirements which would need to be satisfied prior to completion. One party had indicated that they wished to acquire the ground and to ensure that part at least of the ground would be made available for the benefit of recreational facilities for Gretna. This party, however, did not place a formal offer and stated that they were frustrated by the local controversy regarding the ownership of the land. The Joint Administrators had not accepted any specific offer and are still in dialogue with the party who wished to support recreational facilities within Gretna. Negotiations will continue until a satisfactory outcome can be obtained.

RECEIPTS AND PAYMENTS ACCOUNT AS AT 6 AUGUST 2008

The Joint Administrators attach to this report at Appendix 1 a receipts and payments account as at 5 August 2008. This account is generally self explanatory. An amount of £2,708.89 has been received in respect of merchandise sales paid by credit cards and is currently being held by the Lloyds TSB.

OTHER MATTERS

1 SPL

The Scottish Premiership League has advanced sufficient monies to allow footballing fixtures to be completed and to pay the costs of the Administration during this period. A copy of the Receipts and Payments account for the period is attached at Appendix 1.

2 Sports and Social Club

Within the grounds there is a Sports and Social Club, which whilst having close connections to the Company, is not controlled by it or owned by it. It occupies the site on the basis of paying a rent of 50p per annum and has been in existence approximately 50 years. The lease as produced to the Joint Administrators indicated that it expired on 31st July 2008 and the Joint Administrators gave notice to obtain vacant possession which would enable the offers referred to above to be pursued. Solicitors acting for the Sports and Social Club state that the lease held by the Joint Administrators is not signed and at this stage it is unclear on the basis on which the Sports and Social Club occupy their building and continue to be in occupation. This matter is ongoing.

3 Mr Mileson

An extract from the 2006 accounts shows that Mr Mileson had undertaken to meet the liabilities of the club for a given period and to provide sufficient funding for it to continue. This has not transpired and the Administrators have been requested to look at this position and to ascertain whether, on behalf of creditors, a claim could be brought to meet outstanding liabilities. An initial counsel's opinion has been sought and it is evident that this matter should be looked into further and in particular may benefit from the appointment of Liquidators as opposed to Administrators.

PREFERENTIAL CREDITORS

The Statement of Affairs estimated that preferential creditors would total £51,718.93. The final claim from the Department of Employment has not yet been received and we are therefore unable to confirm the amount owed in respect of preferential claims.

It is anticipated that preferential creditors will receive a dividend.

LLOYDS TSB BANK PLC

The Bank hold a bond and floating charge, registered on 29 September 2006, over the assets of the Company and is owed approximately £22,631

Due to the debenture being registered after 15 September 2003, the Joint Liquidators shall make a prescribed part of the company's net property available to unsecured creditors, in accordance with Section 176a of The Insolvency Act 1986

However as the company's net property is less than the prescribed minimum and the cost of making a distribution to unsecured creditors would be disproportionate, this will not apply

UNSECURED CREDITORS

The level of dividend available to unsecured creditors is dependant upon the sale of the land and any potential recoveries as a result of investigations by the Joint Liquidators in due course

JOINT ADMINISTRATORS' REMUNERATION

At the meeting of creditors convened and held on 8 May 2008 creditors agreed the Joint Administrators remuneration being drawn in accordance with time costs

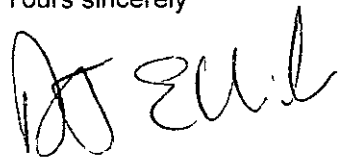
Appended to the report is a detailed summary of our costs to 6 August 2008 of £469,499.00 comprising 2,292 hours at an average charge out rate of £204.87. The Administrators have drawn £175,000 in fees to date. These fees represent the time costs incurred in trading the Company and therefore enabling it to fulfil its fixtures to the end of the season. All these costs have been met from funding provided by the SPL and creditors' interests have not been prejudiced

Disbursements have been drawn as summarised in the attached receipts and payments account. The rates at which disbursements have been drawn were approved at the meeting of creditors held on 8 May 2008

CONCLUSION

This report is attached to form 2.34B. We confirm that this form has been sent to The Registrar of Companies and that in accordance with the Administrators proposal David James Elliot and Lisa Jane Hogg are appointed Joint Liquidators

Yours sincerely



David James Elliot
Joint Administrator

D J Elliott and LJ Hogg of Wilson Field were appointed Joint Administrators to Gretna Football Club Limited on 12th March 2008. The affairs, business and property of the company are being managed by the Joint Administrators, without personal liability

Gretna Football Club Limited
(In Administration)
Administrators' Trading Account
To 05/08/2008

S of A £	£	£
POST APPOINTMENT SALES		
Ticket Sales	49,194 98	
Merchandise Sales	3,458 41	
Sundry Receipts	5,668 30	
Donations	1,500 00	
Funds Advanced from SPL	572,532 00	
		632,353 69
OTHER DIRECT COSTS		
Players Accomodation	1,528 88	
Direct Labour	307,871 64	
Match Expenses	60,676 16	
Catering Expenses	1,465 38	
		(371,542 06)
TRADING EXPENDITURE		
Rents	3,855 61	
Rates	485 00	
Travel and Fuel Expenses	2,133 15	
Insurance	7,038 90	
Bank Charges	731 85	
Sundry Expenses	623 93	
Repairs and Maintenance	105 75	
Stationery/Postage	237 37	
Room Hire	483 75	
Medical Insurance	6,178 02	
Accomodation & Subsistence	4,946 65	
Medical costs	173 00	
Holiday Pay	8,014 81	
Professional costs in respect of trading	194,548 60	
		(229,556 39)
TRADING SURPLUS/(DEFICIT)		31,255 24

Gretna Football Club Limited
(In Administration)
Administrators' Abstract of Receipts & Payments
To 05/08/2008

S of A £		£	£
	HIRE PURCHASE		
824,000 00	F/H Land, Property, Plant & Fixtures	NIL	
(22,631 26)	Lloyds TSB Bank Plc	NIL	
			NIL
	ASSET REALISATIONS		
Uncertain	Book Debts	35,093 72	
Uncertain	Memorabilia	NIL	
	Insurance Refund	3,047 09	
2,933 24	Cash at Bank	5,290 68	
	Trading Surplus/(Deficit)	31,255 24	
	Medical Insurance Refund	2,095 81	
			76,782 54
	COST OF REALISATIONS		
	Specific Bond	200 00	
	Committee Expenses	81 70	
	Legal Fees (1)	1,750 00	
	Court fees re collection of book debts	132 00	
	Administrative disbursements	907 00	
	Travel expenses	2,116 68	
	Re Direction of Mail	24 90	
	Statutory Advertising	143 73	
	Security	15,578 69	
			(20,934 70)
	PREFERENTIAL CREDITORS		
(24,932 24)	DE Arrears & Holiday Pay	NIL	
(26,786 69)	Employee Arrears/Hol Pay	NIL	
			NIL
	UNSECURED CREDITORS		
(391,851 71)	Trade & Expense Creditors	NIL	
(30,942 83)	Employees	NIL	
(18,913 82)	Dept of Employment	NIL	
1,871,427 82)	B Mileson/ Heartshape Ltd Loan Acc	NIL	
(439,762 22)	Inland Revenue	NIL	
(136,292 46)	H M Customs & Excise	NIL	
(829,000 00)	Former Employee Claims	NIL	
			NIL
	DISTRIBUTIONS		
6,070,439 00)	Ordinary Shareholders	NIL	
			NIL
9,036,046 81)			55,847 84
	REPRESENTED BY		
	Vat Receivable		23,028 06
	Bank 1 Current		11,206 30
	PDQ Receipts held by Lloyds TSB		2,708 89

Activity Report Summary (Post Appointment) for Gretna Football Club Limited 12/03/2008 To 05/08/2008

	Directors	Principal	Manager	Administrator	Cashier	Support	Total Hours	Time Cost £	Average Rate
Admin & Planning	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	Case Reviews	25 30	0 50	22 50	0 30	0 00	53 90	12 314 00	228 46
	Strategic Overview	2 20	1 00	10 70	0 00	0 00	23 70	5 340 00	225 32
	Statutory & Compliance	29 50	23 70	64 70	13 60	0 00	186 20	41 312 00	221 87
	Appointment Notification	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	General Administration	4 90	25 10	140 40	19 00	4 70	205 90	35 118 50	170 56
	Cashiering & Bank Account	0 00	0 00	5 00	31 60	0 00	36 60	5 400 00	147 54
	Site Visit	96 80	0 00	459 20	0 00	0 00	594 00	109 143 00	183 74
	Directors Client,Debtor	1 20	0 00	3 00	0 00	0 00	7 90	1 834 50	232 22
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	CDDA Report	0 00	0 00	0 00	0 00	0 00	1 50	427 50	285 00
	Investigation & Review	0 00	1 20	3 30	0 00	0 00	9 60	2 212 50	230 47
	Antecedent Transactions	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Asset Realisation	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	Identifying Securing & Insuring	6 40	0 00	18 90	0 00	3 50	64 20	15 436 00	240 44
	ROT	0 00	0 00	0 70	0 00	0 00	0 70	91 00	130 00
	Debt Collection	4 80	1 10	2 10	8 10	109 60	132 70	26 900 00	202 71
	Property Business & Asset Sales	67 90	9 30	5 20	0 00	0 00	150 70	41 635 00	276 28
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	Management of Operations	54 30	46 00	50 80	0 00	0 00	277 60	68 266 00	245 91
	Accounting for Trading	3 50	70 40	86 80	17 70	0 00	201 30	42 525 00	211 25
	Ongoing Employee Issues	4 10	35 10	72 30	0 00	0 00	142 40	28 318 00	198 86
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	Communication with Creditors	1 20	0 70	43 60	3 40	7 20	62 30	11 074 00	177 75
	Creditors Claims	0 00	1 40	8 20	0 00	0 00	10 40	1 762 00	169 42
	Employees	1 20	0 80	116 10	5 80	2 00	128 00	19 847 50	155 06
	Shareholders	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	Crown (Tax & VAT)	0 00	0 60	1 00	0 00	0 00	3 90	962 50	246 79
Total Hours	432 30	303 30	216 90	1 114 50	99 50	127 00	2 293 50	469 919 00	204 89
Total Fees £	123 205 50	86 440 50	47 670 00	173 675 00	13 573 00	25 355 00	0 00	469 919 00	0 00

WILSON FIELD LIMITED CHARGE OUT RATES AND DISBURSEMENT POLICY

In accordance with the statement of insolvency practice covering fees and disbursements, we are required to disclose to you our policy for recovering non specific disbursements, and the charge out rates for the various grades of staff who may be involved in this case

Hourly Charge Out Rates

Directors/Insolvency Practitioner	£245 – 285
Managers	£150 – 220
Administrators	£ 80 – 150
Cashier/Secretarial & Support	£100 – 150

The office holder(s) will seek approval from creditors to draw remuneration on a time cost basis, in accordance with the rates detailed above, at the meeting of creditors

In common with all professional firms, our charge out rates increase from time to time. We reserve the right to change the rates without prior notice to you. Any change will be reported in the next statutory report to creditors.

Rechargeable Disbursements

Category 2 disbursements – as defined in SIP 9 – requiring prior approval of creditors

Postage, stationery, photocopying etc	£4 per creditor per year (or part year)
Room Hire where meeting held at Wilson Field office	£100
Storage of books and records	£3 per box per month
Mileage	45p per mile
Collection of books and records	£25 per hour
Company search fees	£10 standard search

The office holder(s) will seek approval from creditors to draw these disbursements at the creditors meeting

These rates are applicable on all insolvency appointments from 1 October 2006 until further notice