

The Insolvency Act 1986

R2.25**Statement of administrator's proposals**

Pursuant to paragraph 49 of Schedule B1 to the Insolvency Act 1986
and Rule 2 25 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)

I/We (a)
David James Elliot
Wilson Field Limited
The Annexe, The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

Lisa Jane Hogg
Wilson Field Limited
The Annexe, The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

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

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

(b) Insert date

(b) 16th April 2008

Signed


Joint Administrators

Dated

16/4/08

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

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

DX Number

01142356780
DX Exchange



SWL1M00W

SCT 24/4/08 54
COMPANIES HOUSE

SZO1FZ5Z

SCT 24/04/2008 1525
COMPANIES HOUSE

When 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 / LP4 Edinburgh 2

Notice of a meeting of Creditors

Name of Company

Gretna Football Club Limited

Company number

SC249414

In the
Scotland Court of Session

(full name of court)

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

Notice is hereby given by (a)
David James Elliot
Wilson Field Limited
The Annexe, The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

Lisa Jane Hogg
Wilson Field Limited
The Annexe, The Manor House
260 Ecclesall Road South
Sheffield
S11 9PS

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

that a meeting of creditors of (b)

Gretna Football Club Limited
Wilson Field Ltd
C/o Irwin Mitchell
Stewart House
123 Elderlie Street
Glasgow, G3 7AR

(c) Insert details of place
of meeting

is to be held at (c)

(c) Smiths at Gretna Green Hotel
Gretna
Dumfries & Galloway
Scotland
DG16 5EA

(d) Insert date and time
of meeting

on (d) 8 May, 2008

at 11 00am

The meeting is

*Delete as applicable

*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('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



Joint Administrator

Dated

16 Apr / 2008

*Delete as applicable

A copy of the proposals is attached

Proxy (Administration)

Gretna Football Club Limited

Name of Creditor _____

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 proxy holder at the meeting of creditors to be held on **8th May 2008**, 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 GENERAL FORM**In the matter of Gretna Football Club Limited****and in the matter of The Insolvency Act 1986**

1	Name of Creditor	
2	Address of Creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	£
4	Details of any document by reference to which the debt can be substantiated [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5	If the total amount shown above includes Value Added Tax, please show (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6	If total amount above includes outstanding uncapitalised interest please state amount	£
7	If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8	Give details of whether the whole or any part of the debt falls within any (and if so which) of the categories of preferential debts under section 386 of, and schedule 6 to, the Insolvency Act 1986 (as read with schedule 3 to the Social Security Pensions Act 1975)	Category Amount(s) claimed as preferential £
9	Particulars of how and when debt incurred	
10	Particulars of any security held, the value of the security, and the date it was given	£
11	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or relation to creditor	

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**

STATEMENT OF JOINT ADMINISTRATORS PROPOSALS

**PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1
TO THE INSOLVENCY ACT 1986 AS APPLIED BY
SECTION 248 OF THE ENTERPRISE ACT 2002**

**Wilson
Field** Business Recovery
& Insolvency

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

GRETNA FOOTBALL CLUB LIMITED – IN ADMINISTRATION

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1. INTRODUCTION

- 1.1 This Statement is made pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 as applied by Section 248 of the Enterprise Act 2002
- 1.2 Paragraph 49(2) of Schedule B1 to the Insolvency Act 1986 requires this Statement to deal with the matters set out in Rule 2.25 of the Insolvency (Scotland) Amendment Rules 2003 ("the Rules")
- 1.3 The information provided in sections 2 to 7 of this Statement is made in accordance with Rule 2.33(2) of the Rules

2. STATUTORY INFORMATION

Company name	Gretna Football Club Limited ("the Company")
Registered address	Irwin Mitchell Solicitors, Stewart House, 123 Elderlie Street, Glasgow
Former registered address	Raydale Park, Dominion Road, Gretna, Dumfriesshire, DG16 5AP
Other trading names of the Company	None
Company number	SC249414
Date of incorporation	14 May 2003
Objects	Football club and sporting activities
Authorised capital	6,071,179 ordinary £1 shares
Issued capital	6,071,179 ordinary £1 shares
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 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 26/3/08
Company Secretary	Helen Summers MacGregor

3. COURT HAVING CONTROL OF ADMINISTRATION PROCEEDINGS AND JOINT ADMINISTRATORS APPOINTMENT

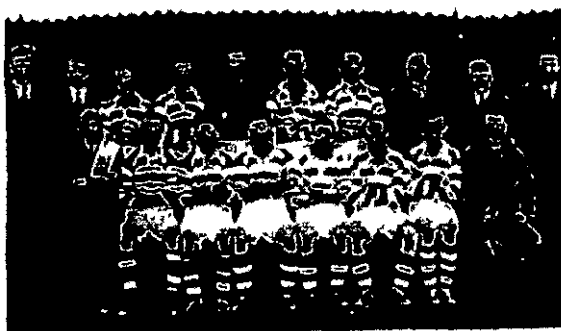
- 3 1 The Court of Session, Petitions Department, Parliament House, Parliament Square, Edinburgh, EH1 1RQ, is the Court seized of the administration proceedings
- 3 2 On 12th March 2008, the directors filed a Notice of Appointment of an Administrator pursuant to Paragraph 22 of Schedule B1 to the Insolvency Act 1986 Lisa Jane Hogg and David James Elliot of Wilson Field Limited, The Annexe, The Manor House, 260 Ecclesall Road South, Sheffield, S11 9PS were appointed Joint Administrators of the Company
- 3 3 Lisa Jane Hogg and David James Elliot are Insolvency Practitioners licensed by The Department for Business 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 Lisa Jane Hogg and David James Elliot may be exercised by them acting jointly or by each of them separately and on behalf of the other
- 3 4 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

4. CIRCUMSTANCES SURROUNDING THE APPOINTMENT OF THE JOINT ADMINISTRATORS

- 4 1 The information provided in paragraphs 4 1 to 4 14 is based upon the Company records, the accuracy of which the Joint Administrators are unable to vouch for The Joint Administrators cannot therefore be held personally liable for errors or misstatement of fact contained therein
- 4 2 The Company was incorporated on 14 May 2003 as 48 Shelf (112) Limited and changed its name to Gretna Football Club Limited on 28 May 2003 The Company's objective is of a general commercial company with the intention of carrying out sporting activities and as a football club
- 4 3 The history of the club relates back to 1946 and an extract from the Company's website detailing their rise to the Scottish Premier League is detailed below

Gretna Football Club was formed in July 1946, with assistance and professional advice from the Messrs McKinnell (Senior and Junior) of Queen of the South FC and under the chairmanship of Jock Kerr, an ex professional player himself

The club played its inaugural season in the Dumfries Junior League The following season the decision was taken to transfer to the Carlisle and District League where the club remained until 1982, with the exception of season 1951 52 when it competed in the newly formed Cumberland League which folded after only one season



Amongst the club's best known players of this successful era were Billy Cross who skippered the team for several years without missing a match, and strikers Dennis "Touchy" Smith and the late Tommy McFarlane, who each hold the distinction of scoring over 100 goals in a season

Six consecutive Carlisle and District League titles proved that the club was becoming too strong for its local surroundings and the club was admitted to the newly formed Second Division of the Northern League in 1962, spending over £100,000 on upgrading the ground to the standards required by the League

Promotion to the First Division was achieved at the first attempt and the club spent nine successful seasons at this level culminating in back to-back championships in 1990/91 and 1991/92, the latter ensuring promotion to the First Division of the Northern Premier League

In their first season in the NPL the club finished sixth and reached the semi final of the League Cup. Although the team was not able to match that League position again in the nineties they hit national headlines by reaching the 1st round of the FA Cup where they acquitted themselves well v Rochdale (1991/92) and Bolton Wanderers (1993/94), becoming the first Scottish team to appear in the English FA Cup proper since Rangers in 1887

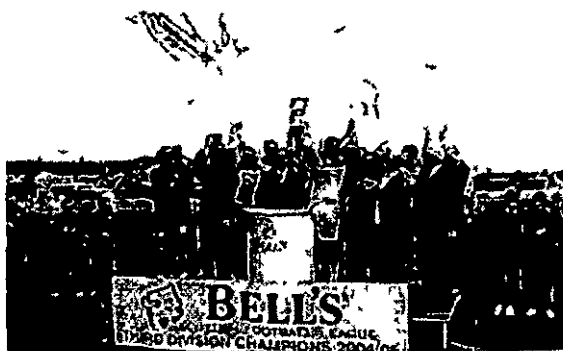
In 1993 and 1999 Gretna applied for membership of the Scottish Football League. Though not successful the club's applications were well received. Gretna finished the 2001/2002 season in 7th place in the UniBond League First Division



This was to be their last stint in English football, as in June 2002, the club were successful at the third attempt of asking in gaining membership of the Scottish League, taking the place of the defunct Airdrieonians

The club finished a respectable sixth in their first season in the Third Division, 27 points behind Champions Morton. Gretna narrowly missed out on promotion the following season, finishing in third place behind Stranraer and Stirling Albion

However, the Black and Whites took the Scottish Third Division title in style in season 2004/05, re-writing the record books along the way



The club broke Inverness Caledonian Thistle's 11-game winning run by 2 games in the December and striker Kenny Deuchar shattered the Third Division scoring record of 24 previously held by Michael Moore of Stranraer and D MacFarlane of Hamilton Academical, hitting an incredible 41 goals

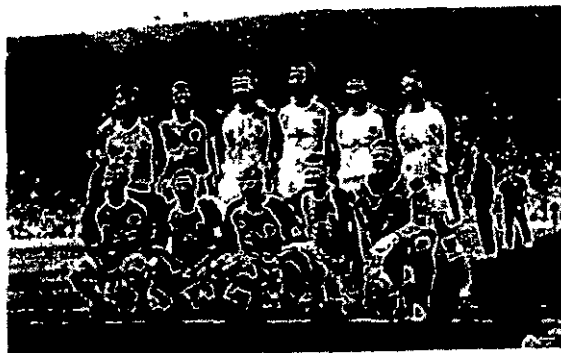
They demolished the Third Division highest goals total of 87 held jointly by Stranraer and Ross County and the 130 scored in the Division when they beat Cowdenbeath 1-0 on the 5th March and shattered the Division's highest points total of 80 held by Forfar from season 1994/95, finishing just two shy of a century

It was testament to local businessman and managing director Brooks Milesen's vision and substantial cash injection into the club which saw players of Premier League calibre turning out at Raydale Park

A second successive Championship followed as the club took the Second Division by a clear 18-points from nearest rivals Morton

The record breaking Borders side also claimed fastest promotion from the Division, collecting a massive 88 points and scoring 97 goals along the way

Gretna also hit the headlines in 2005/06 after making it all the way to the Tennent's Scottish Cup final where they were unlucky to go down 4-2 on penalties after drawing 1-1 with Premier League Hearts. With the Edinburgh side already claiming a Champions league spot, Gretna went into the UEFA Cup



But the club's first ever European tie ended in disappointment as Irish side Derry City upset the odds with a stunning 5-1 win at Fir Park, Motherwell, on their way to a 7-3 aggregate victory in the Second Qualifying round

Nevertheless, 2006/07 would prove to be a landmark season in Gretna's short but illustrious history as the ambitious Borderers became the first British club to achieve three successive promotions



On a dramatic final day of the season, Gretna edged rivals St Johnstone to the title as James Grady's injury time winner clinched a 3-2 victory over Ross County and a place in the SPL

Owner Brooks Milesen had realised his dream, guiding the tiny Borderers to the top flight of Scottish football just five years after their admission to the senior game

4.4 It has been widely reported in the press that Mr Brooks Milesen has fallen ill leading to an inability to continue his involvement with the company and as a result the funding required to continue trading the club, was not forthcoming. This created significant cash flow problems culminating in a threat from H M Revenue and Customs regarding possible winding up proceedings

4.5 Wilson Field Limited advised on the insolvency options available to the Company and recommended that the Company sought the protection of an Administration appointment. Prior to this I can confirm that neither Wilson Field Limited nor any of its directors or employees had a material professional relationship with the Company, or its directors, or the Debenture holder which would prejudice our objectivity

4.6 A board meeting was convened for 7 March 2008 and a resolution was passed to place the Company into Administration

5 STATEMENT OF AFFAIRS

5.1 The Administrators requested a Statement of Affairs from the directors on 18 March 2008. It is anticipated that this will be available in readiness for the creditors meeting. An estimate of the Statement of Affairs is attached based on information obtained from the Company records. The Company records were not up to date on the day of our appointment and the claims of creditors may not be reflected accurately on this statement. Creditors are encouraged to submit a proof of debt form as soon as possible in order that this can be rectified. The Estimated Statement of Affairs and list of creditors is appended hereto at Appendix A

5.2 The Qualifying Floating Charge is dated 29 September 2006, which is after the Enterprise Act 2002 was enforced and therefore a prescribed part should be retained to be available for unsecured creditors. However in this case, it is envisaged that the secured creditor will be paid in full under their fixed charge (bond) and the retention of such funds is therefore not required

6. EVENTS SUBSEQUENT TO THE APPOINTMENT OF THE ADMINISTRATOR

6.1 It was established prior to the appointment that the Company's income was insufficient to sustain its ongoing trade without significant additional income being generated from alternative sources

- 6 2 The Administrator of a 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 companies 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
- 6 3 As a result of this a meeting was held with the Scottish Premiere League "SPL" to ascertain whether any monies were due from them to the Company either now or in the future and to determine whether any future revenues could be released early in order to fulfil the remaining fixtures of the season. This would allow the Administrators the time to explore the possibility of achieving the first objective as mentioned in 6 2 above. A formal agreement was entered into whereby monies are being advanced by the SPL to enable ongoing trading costs to be met as and when they fall due.
- 6 3 On the day of the appointment, the Joint Administrators and their staff attended the Company premises and assessed the situation to determine whether the Company could carry on trading.
- 6 4 Immediately from appointment it should be noted that there was overwhelming support from the public, the fans and the staff. The various footballing authorities were also very supportive.
- 6 5 Talks commenced with various interested purchasers almost immediately after appointment.
- 6 6 Upon appointment, the Administrators instructed Eddisons Commercial (Chartered Surveyors) of Leeds to advise on the best strategy to maximise realisations from the sale of the Company's business and assets. Eddisons have prepared a report, but due to the sensitivity of the situation, it is not proposed that the contents of this report be disclosed.
- 6 7 The ability to trade the Company is continually assessed on a daily basis, particularly in light of its ongoing obligations and fixtures. The working capital requirement is constantly changing as more information (which the Company was unable to provide) is received.
- 6 8 It was necessary to make a substantial reduction to the weekly payroll and 9 senior players, 13 (under 19) youth players, the community staff and a number of office based staff were made redundant on 26 March 2008.
- 6 9 The Administrators have continually liaised with the footballing authorities.
- 6 10 The Company's books and records have been retained by the Administrators.
- 6 11 Other actions taken by the Administrators and their staff are as follows
- o Compliance with our statutory duties to notify and advertise our appointment
 - o Constantly dealing with employee issues with players and staff
 - o Notifying and liaising with Crown departments as necessary
 - o Arranging new Administration banking facilities
 - o Notifying and liaising with the Company's banks and secured creditor
 - o Notifying and liaising with the Finance Companies
 - o Notifying and liaising with the Company's professional advisors
 - o Appointing our own independent solicitors and valuation experts as required

- o Liaising with footballing authorities

7. ADMINISTRATORS PROPOSALS TO ACHIEVE THE PURPOSE OF THE ADMINISTRATION

7.1 The Administrators make the following proposals for achieving the purpose set out in Paragraph 3 of Schedule B1 to the Insolvency Act 1986

- 7.1.1 they continue to trade the Company in order to achieve the objective to sell the Company as a going concern,
- 7.1.2 to do all things and generally exercise all of their powers as contained in Schedule 1 of the Insolvency Act 1986, otherwise provided by statute as they, in their sole and absolute discretion, consider desirable or expedient in achieving the statutory objective of the Administration,
- 7.1.3 a creditors committee should be established and if thought fit, the creditors committee shall exercise the functions conferred to it by or under the Act Pursuant to section 83(b)(f) of Schedule B1 of the Insolvency Act 1986 and Rule 2.36 of the Insolvency (Scotland) Amendment Rules 2003, any creditors committee established for the purposes of the Administration will continue as the liquidation committee for the purposes of the winding up if this is the exit strategy of the Joint Administrators
- 7.1.4 the remuneration of the Administrators shall be fixed by reference to the time properly given by the Administrators and their staff in attending to matters arising in the Administration to be determined by the rates applied by the firm of Wilson Field Limited for work of this nature from time to time,
- 7.1.5 attached at Appendix B is a schedule showing time spent to date in the administration and detail of the charge out rates Also attached is a guide to Administrators fees It is further proposed that in accordance with SIP 9 category 2 disbursements be withdrawn at the rates disclosed Such expenses or disbursements are to be paid from the assets of the Company,
- 7.1.6 the Administrators will be authorised to pay the costs (fees and expenses) connected with the application of the Administration Order, in accordance with the order of priority scheduled in Rule 2.67 of the Insolvency Rules 1986, as amended by the Enterprise Act 2002,
- 7.1.7 the Administrators will incur and shall pay such costs and expenses, including professional fees as they consider being incidental to the achievement of the proposals outlined above or their statutory duties including all disbursements incurred by the Administrators in the course of their duties,
- 7.1.8 upon completion of the proposals at 7.1.1 and 7.1.2 above and achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up and upon the settlement of the Administration expenses and liabilities, the Administrators propose that they will take steps to wind up the affairs of the Company and place it into creditors voluntary liquidation Should this course of action be proceeded with, it is proposed that Lisa Jane Hogg and David James Elliot be appointed as Joint Liquidators Creditors should however note that in accordance with Paragraph 83(7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117(3) of the Rules, they may nominate a different person as the proposed Liquidator, provided that the nomination is made after receipt of these proposals and before the proposals are approved,

- 7 1 9 if it transpires that funds become available then the Administrators would consider putting forward a CVA whereby unsecured creditors would rank *pari passu* in settlement of their outstanding debts. At this stage no such fund has been identified but for the sake of completeness we draw this to creditors attention as a possible outcome of the Administration,
- 7 1 10 If it transpires that there is no dividend to unsecured creditors and no unresolved investigation matters, then the Joint Administrators will seek the dissolution of the Company pursuant to paragraph 84(1) of Schedule B1,
- 7 1 11 The Company's affairs will continue to be managed by the Administrators and their agents and such management will be financed from the realisation of the Company's assets within the administration,
- 7 1 12 Upon the Company proceeding into liquidation, a Company voluntary arrangement or dissolution as set out above, the Administrators will be discharged from liability, pursuant to paragraph 98 of Schedule B1 shall take effect upon the liquidation or dissolution of the Company

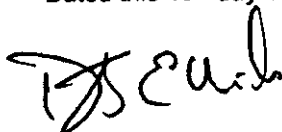
8. JOINT ADMINISTRATORS REMUNERATION

As at 16 April 2008 the Joint Administrators time costs total £253,638 50. This equates to 1,225 7 hours at an average rate of £206 93. A detailed breakdown is attached at Appendix C.

9. MEETING OF CREDITORS

An initial meeting of the Company's creditors has been convened for 8 May 2008 at 11 00am, as per the attached notice. The purpose of this meeting is to consider the Joint Administrators proposals.

Dated this 16th day of April 2008



D J Elliot
Joint Administrator

Acting as agent of the Company without personal liability

GRETNA FOOTBALL CLUB LIMITED – IN ADMINISTRATION

APPENDIX A

**ESTIMATED STATEMENT OF AFFAIRS
AND LIST OF CREDITORS**

Insolvency Act 1986

Gretna Football Club Limited

Estimated Statement Of Affairs as at 12 March 2008

	Notes	Book Value £	Estimated to Realise £	£
ASSETS				
Freehold Land, Property, Plant & Fixtures	1	824,000 00	824,000 00	
Lloyds TSB Bank Plc		(22,631 26)	(22,631 26)	
			801,368 74	801,368 74
Book Debts	2	18,000 00		Uncertain
Memorabilia	3	Uncertain		Uncertain
Cash at Bank		2,933 24		2,933 24
				812,301 98
PREFERENTIAL CREDITORS				
DE Arrears & Holiday Pay	5		24,932 24	
Employee Arrears/Hol Pay	5		26,786 69	
				51,718 93
				760,583 05
Estimated prescribed part of net property where applicable (to carry forward)				NIL
				760,583 05
DEBTS SECURED BY FLOATING CHARGE				
				NIL
				760,583 05
Estimated prescribed part of net property where applicable (brought down)				NIL
				760,583 05
Unsecured non preferential claims (excluding any shortfall to floating charge holders)				
Shortfall to preferential creditors (brought down)				NIL
Trade & Expense Creditors	4		391,851 71	
Employees	5		30,942 83	
Dept of Employment	5		18,913 82	
B Mileson/ Heartshape Ltd Loan Acc	6		1,871,427 82	
H M Revenue & Customs	7		576,344 00	
Former Employee Claims	8		829,000 00	
				3,718,480 10
Estimated deficiency/surplus as regards non preferential creditors (excluding any shortfall to floating charge holders)				(2,957,897 01)
				(2,957,897 01)
Issued and called up capital Ordinary Shareholders			6,070,439 00	
				6,070,439 00
TOTAL SURPLUS/(DEFICIENCY)				(9,028,336 01)

GRETNA FOOTBALL CLUB LIMITED – IN ADMINISTRATION

NOTES TO ESTIMATED STATEMENT OF AFFAIRS

- 1 Freehold Land, Property & Fixtures has been included at the Book Value of £824,000 Eddisons Chartered Surveyors have produced a report for the Administrators use only
- 2 There is approximately £18,000 due to the Company from other football clubs A number of bad debts are anticipated so it has not been possible at this stage to estimate the sum that will be collectable
- 3 The Memorabilia has been valued by Eddisons Chartered Surveyors have again produced a report for the Administrators use only
- 4 The trade and expense creditors total £391,851 and a schedule is attached As advised in the report these figures have been obtained from the Company records and may not be accurate Please submit a proof of debt form as soon as possible
- 5 The claims of the Employees and Department of Employment have been calculated following the redundancies that took place on 26 March 2008
- 6 Heartshape Ltd is a company solely owned by Mr Brooks Mileson Together they have invested £1,871,427 into the Company the split of which is as follows

	£
Heartshape Ltd	749,395
Brooks Mileson	1,122,032

- 7 HM Revenue & Customs have an outstanding liability totalling £576,344 comprising of the following

	£	
PAYE Tax & NIC months 6 & 7	139,940	Actual
PAYE Tax & NIC months 9, 10 & 11	229,722	Estimate
Corporation Tax Penalty Y/E 31 May 2006	100	Actual
Underpayments on various benefits	70,290	Assessment
VAT 08/07 and 11/07 Returns	136,292	Actual

- 8 Three former employees had claimed sums from the Company prior to the Administration totalling £829,000 in respect of compromise agreements The Directors have advised that these claims were to be defended however due to non payment of legal fees the Company solicitors would not act

Wilson Field Limited
Gretna Football Club Limited
B - Company Creditors

Key	Name	Address	£
C300	3663	Green Lane Black Moss Lane Scarsbrck Ormskirk Lancashire L40 9RW	3 510 15
CC0A	A Crossan Electrical	93 Irish Street Dumfries Dumfries & Galloway DG1 2PQ	237 92
CANO	Alba Printers	1 St Michael Street Dumfries DG1 2QD	1 307 38
CA01	Amenity 1 Limited	Unit P Hadrian Works Halkhillsie Northumberland NE49 0EX	2 738 94
CANN	Annandale & Eskdale Leisure Trust	Council Offices 16 High Street Annan DG12 6AQ	350 00
CA00	Aquad (North)	Unit 8 South Mill Warwick Mill Warwick Bridge Carlisle CA4 8RR	105 74
CA02	Architects Plus (UK) Limited	Victoria Galleries Viaduct House Victoria Viaduct Carlisle CA3 8AN	9 550 78
CANP	Armstrong Construction Services Ltd	Properties House Easter Park Teeside Industrial Estate Thomaby TS17 9NT	8 753 72
CANQ	Armstrong Group Holdings Ltd	Palatine House Belmont Business Park DH1 1TW	22 215 74
CANR	Arnott Corporate Insurance Solution	Registered Office Finchale House Belmont Business Park Durham DH1 1TW	9 145 12
CANS	AT Reece	Consulting Rooms Glasgow Nuffield Hospital Beaconsfield Road Glasgow G12 0PJ	340 00
CB04	Barnsley Football Club	Oakwell Stadium Barnsley South Yorkshire S71 1ET	1 192 86
CB00	Beattie Podiatry	Mr TA & Mrs SC Beattie Fisher Street Galleries 18 Fisher Street Carlisle Cumbria CA3 8RH	20 00
CB02	Birmingham City Football Club Plc	St Andrew's Stadium Birmingham B9 4NH	2 788 09
CB03	Blackburn Rovers Football & Athletic Plc	Ewood Park Blackburn Lancashire BB2 4JF	2 840 17
CB05	Blounts Pharmacy	St Michaels Bridge Road Dumfries DG1 2PX	4 189 05
CB0C	BOC	Customer Service Centre PO Box 12 Priestley Road Worsley Manchester M28 2UT	63 10
CB06	Borderloos	Astonby Grange Westlinton Carlisle CA6 6AF	1 175 00
CB07	Brake Brothers Ltd	C/o Ashton Scott Recoveries PO Box 10017 Dundee DD2 1WS	2 359 51
CB08	Brechin Tindale Oatts	Caroline Carr 48 St Vincent Street Glasgow G2 GW96	10 144 07
CF01	Brian Frew	42 Fraser Crescent Hamilton ML3 8LG	5 471 55
CB09	British Telecom	Telephone Payment Centre Durham DH98 1BT	789 95
CB0D	Brooks Mileson/Heartshape - Loan Acc		1 871 427 82
CBUS	Business Stream	PO Box 420 55 Buckstone Terrace Edinburgh EH10 6YN	0 00
CB0C	Bytebak	1b South Mill Warwick Mill Warwick Bridge Carlisle CA4 8RR	421 53
CC03	Carlisle City Council	Revenues & Benefits Services Civic Centre Carlisle CA3 8QG	2 469 51
CC04	CelticFC Limited	Celtic Park Glasgow G40 3RE	7 262 00
CC01	Central Cleaning Company	68 Drysdale Street Alloa FK10 1JA	180 00
CCH	Chef Fresh Catering Limited	Canteen Block Duport Complex Drungans Dumfries DG2 8LT	174 78
CCRJ	Codair Design & Publicity	Media House Warmingford Road Fordham Essex CO6 3NB	0 00
CC05	Colophon Press Printers Ltd	17 Peterfield Road Kingstown Carlisle CA3 0EY	2 422 28

Wilson Field Limited
Gretna Football Club Limited
B - Company Creditors

Key	Name	Address	£
CCRL	Creative Edge Photography & Video	150 Wigton Road Carlisle CA2 7ET	0 00
CC00	Creative Edge Video & Photography	150 Wigton Road Carlisle Cumbria CA2 7ET	1 950 00
CC02	Creditsafe Limited	International Account Recovery & Credit Reporting Centurion House Centurion Way Farington Leyland PR25 3GR	446 50
CCRI	Crime Stoppers Scotland	Westwood Business Centre 89 Aberdalgie Road Glasgow G34 9HJ	450 00
CC09	Crossflags Dumfries	York House Annan Road Dumfries DG1 3AW	157 91
CD02	D & G Fire Protection Ltd	Unit 219 Heathhall Industrial Estate Dumfries Dumfries & Galloway DG1 3PH	155 28
CD05	Disclosure Scotland	Customer Liasion PO Box 250 Glasgow G51 1YU	170 00
CD01	DNG Media (Annandale Observer)	96 High Street Annan DG12 6EJ	35 25
CJ01	Dr Johnstone	Ivy Cottage Springfield Gretna DG16 5EJ	221 97
CD04	Dr Nitin Desai	10 Auld Brig View Auldgrith Dumfries Glasgow CG2 0XE	750 00
CJ02	Dr PG Jennings	Cumbernauld Infirmary Newton Road Carlisle CA2 7HY	1 133 00
CI00	Dr Richard Ishmael	Thornhill Medical Centre Thornhill DG3 5AA	750 00
CC07	Dr RL Cox	45 Glen Road Wishaw Lanarkshire ML2 7NL	90 00
CLIO	Dr William Lowry	Milton Mill Dunscore Dumfries DG2 0UP	500 00
CD00	Dumfries & Galloway Council	Rating Section Carruthers House English Street Dumfries DG1 2HP	934 25
CD07	Dumfries & Galloway Council	Carruthers House English Street, Dumfries DG1 2HP	137 75
CECO	Ecolab Limited	Chancery House St Nicholas Way Sutton Surrey SM1 1JB	0 00
CE00	Elite One Hospitality Limited	42 Fraser Crescent Hamilton ML3 8LG	1 490 22
CE02	Eventcover Productions Ltd	The Old Orchard Town Farm Newton Stocksfield NE43 7UL	2 113 07
CF00	Fire Protection Ltd	Unit 19 Heathhall Industrial Estate Dumfries DG1 3PH	155 28
CFIR	First Data Global Leasing	Unit 19 Heathhall Industrial Estate Dumfries DG1 3PH	0 00
CG05	Frank Gilroy	Britannia House 1st Floor Christopher Martin Road Basildon Essex SS14 9AA	80 00
CG00	G4S Cash Services (UK) Ltd	17 Thornlea Drive Giffnock Glasgow G46 6BZ	126 59
CG02	Gallowdian Fresh Foods Limited	Unit 4 Lancer House Hussar Court Westside View Waterlooville Hampshire PO7 7SE	336 26
CG03	Gems	Unit 3/4 Lochside Industrial Estate Longray Road Dumfries DG2 0JE	323 00
CG07	Glasgow City Council	Unit 5 High Street Loreburn Shopping Centre Dumfries DG1 2BD	1 388 50
CG06	Glasgow Nuffield Hospital	Cultural and Leisure Services 20 Trongate Glasgow G1 5ES	1 176 00
CG08	Global Screening (UK) Ltd	25 Beaconsfield Road Glasgow G12 0PJ	16 156 25
CH02	H M Customs & Excise	27 Westbourne Gardens Hyndland Glasgow G12 9PE	136 292 46
CH00	H&E Trotter	Glasgow DMU Portcullis House 21 India Street Glasgow G2 4PZ	211 50
CH01	Health Centre	Low Dyke Calthwaite Penrith Cumbria CA11 9PS	293 75
		Thornhill DG3 5AA	

Wilson Field Limited
Gretna Football Club Limited
B - Company Creditors

Key	Name	Address	£
CD06	Helen Dutch/ Dafy Dill	40 Port Street Annan Dumfriesshire DG12 6BN	585 00
CH03	HM Revenue & Customs	Local Compliance (Wals Scotland & Northern Ireland) Large & Complex 7 Cochrane Street Glasgow G1 1GX	0 00
CH04	Inland Revenue	Debt Management Enforcement & Insolvency Elgin House 20 Haymarket Yards Edinburgh EH12 5WT	439 762 22
CI01	ITW Graphics	Sporting ID Unit 17 Airport Industrial Estate Kingston Park Newcastle NE3 2EF	537 51
CG09	James Grady		20 000 00
CJ00	JF Armstrong	Row Bank Paving Brow Brampton Cumbria CA8 1QS	488 60
CB0D	John Brantwaite	Southey Yard Southey Street Keswick Cumbria CA12 4EF	452 46
CC06	John Cook Signs	Unit J Baron Way Kingsmoor Business Park Carlisle Cumbria CA6 4SJ	70 50
CK00	Key To The Clans Limited	Fernholow Chapelknowe Canonbie Dumfriesshire DG14 0YB	320 32
CK01	Knox Sports	58 Whitesands Dumfries DG1 2RS	80 50
CLIP	Leaseguard Limited	Claremont Lodge 24 Auchingramont Road Hamilton ML3 6JT	182 14
CLIN	Lindley Catering Limited	The Mellor Building Queens Road Penkhill Stoke On Trent ST4 7TR	2 134 79
CLLO	Lloyds TSB Bank Plc	PO Box 96 6th Floor 6-7 Park Row Leeds LS1 1NX	22 631 26
CM02	Mark Parr Promotions	3 Town Road Croston Leyland Lancashire PR26 9RA	4 056 49
CM01	Mark Parr Promotions	C/o Irwin Mitchell Solicitors 123 Elderslie Street Glasgow G3 7AR	3 176 21
CCRK	Martin Canning		9 000 00
CB0B	Mr Dominique Byrne	Ross Hall Hospital 221 Crookston Road Glasgow G52 3NQ	996 25
CD03	Mr MJ Dawson Consultant Orthopaedics	Cumberland Infirmary Newtown Road Carlisle CA2 7HY	90 00
CNEX	Newcastleton Polysport	Camperdown Newcastleton TD9 0TA	500 00
CNEY	North Cumbria Acute Hospitals NHS	Cumberland Infirmary Newtown Road Carlisle CA2 7HX	2 198 00
CO00	Office Technology Corporation Ltd	35 - 39 Cecil Street Carlisle Cumbria CA1 1NS	210 33
CP01	Para-Med 1	East Gavin Farm Beith Road Howwood PA9 1DJ	380 00
CP00	Parker Hose & Fittings Ltd	Inc ASD Fire Fisher Street Walker Newcastle Upon Tyne NE6 4LT	176 25
CP03	Parr4 (Irrigation) Ltd	Unit 1 Ebor Business Park Ure Bank Top Ripon North Yorkshire HG4 1JE	286 49
CP04	PHS Group Plc	Western Industrial Estate Caerphilly CF83 1XH	287 72
CP05	Pineapple Arounsnot Ltd	Howlish Works Bishop Auckland DL17 8ED	441 11
CP06	Positive Response Communication	Campbell House The Crichton Royal Grounds Bankend Road Dumfries DG1 4ZE	95 18
CP07	Premier Inn Ltd	Whitebread Court Houghton Hall Business Park Portz Avenue Dunstable LU5 5XE	430 77
CP08	Premium Credit	PO Box 350 Epsom KT17 1WP	10 917 31
CP09	Prozone Ltd	3 Craven Court Millshaw Leeds LS11 8BN	117 50

Wilson Field Limited
Gretna Football Club Limited
B - Company Creditors

Key	Name	Address	£
CR00	Ravenstock MSG Ltd	Ravenstock House 28Falcon Court Preston Farm Business Park Stockton-On-Tees TS18 3TX	4 770 70
CROW	Redundancy Payments Service	Ladywell House Ladywell Road Edinburgh EH12 7UR	18 913 82
CROT	Redundancy Payments Service - Pref	Ladywell House Ladywell Road Edinburgh EH12 7UR	24 932 24
CROU	Rhythm of Life	Rhythm House King Street Carlisle CA1 1SJ	507 60
CROU	Rickerby Ltd	Currock Road Carlisle Cumbria CA2 4AU	2 758 40
CBIG	Rock Steady Sports Event Services Ltd	C/o Biggart Bailie LLP Dalmore House 310 St Vincent Street Glasgow G2 5QR	1 084 31
CROS	Ross Hall Hospital	221 Crookston Road Glasgow G62 3NQ	1 993 00
CF02	Rowan Alexander		800 000 00
CG04	Sam Gibson	3 Clementina Terrace Carlisle Currock CA2 4EN	90 00
CS05	Scottish and Universal Newspapers	Maxwelltown Industrial Estate Glasgow Road Dumfries DG2 0NA	71 91
CS04	Scottish Gas Business	PO Box 254 Camberley Surrey GU15 3WA	4 939 69
CS03	Scottish Water	PO Box 16460 Glasgow G22 6NR	933 08
CS02	Sheffield United FC Ltd	Accounts Department Bramall Lane Sheffield South Yorkshire S2 4SU	13 130 91
CS06	Shortridge Launderers & Dry Cleaners	Unit 1 Irongray Park Irongray Road Dumfries DG2 0JE	227 75
CS07	Sky Business	PO Box 1805 Livingston West Lothian EH54 7XG	83 78
CS08	Smiths at Gretna Green	Gretna Green Dumfries DG16 5EA	1 130 45
CS09	SNS Group	15 Fitzroy Place Glasgow G3 7RW	1 057 50
CS0A	Solway Physiotherapy Clinic	Barrasgate Cumbertrees Annan Dumfriesshire	4 500 00
CSTK	Sports Facilities International Limited	c/o Mitchell Charlesworth Brazeennose Housewest Brazeennose Street Manchester M2 5FC	0 00
CS0B	St Johns Ambulance	Shared Accounting Centre Blades Enterprise Centre John Street Sheffield S2 4SU	141 00
CSTJO	St John s Ambulance Association	St Andrews House 48 Milton Street Glasgow G4 0HR	0 00
CSTJ	St Johnstone Football Club Limited	McDiarmid Park Cnelt Road Perth PH1 2FJ	61 10
CS0C	Staceys Coaches Limited	Uni 3 Millrace Road Willowholme Industrial Estate Carlisle CA2 5RS	5 590 00
CS0D	Stella Football Ltd	16 Stanhope Place London W2 2HH	5 850 00
CS01	Strathclyde Police	Finance Department Police Headquarters 173 Pitt Street Glasgow G2 4JS	12 627 43
CS00	Strathclyde Skip Hire	Howlands Woodend Road Carlisle ML8 4HS	176 25
CS0E	Swallow Hotels	Swallow Hilltop Hotel London Road Carlisle CA1 2PQ	4 084 65
CT02	Telfords Coaches	28 North Heritage Street Newcastleton TD9 0RA	220 00
CT04	Templecombe	The Old Mailings 102A High Street Olney Bucks MK46 4BE	0 00
CB01	The Barron Wright Partnership	C/o Nicholas S Gordon John Henderson & Sons 10 Bank Street Dumfries DG12 2NS	23 500 00

Wilson Field Limited
Gretna Football Club Limited
B - Company Creditors

Key	Name	Address	£
CE01	The Everton Football Company Limited	Goodison Park Liverpool L4 4EL	3 667 79
CG01	The Gables Hotel	1 Annan Road Gretna Dumfriesshire	685 90
CM00	The Motherwell Football & Athletic Club Ltd	Fir Park Motherwell ML1 2QN	44 445 00
CNEW	The Newcastle upon Tyne Hospitals	Freeman Hospital High Hewton Newcastle Upon Tyne NE7 7DN	576 00
CP02	The Paper House Limited	Waterwells Drive Gloucester GL2 2PH	258 50
CS0F	The Scottish Football Association	Hamden Park Glasgow G42 9AY	250 00
CT00	Thurmanns	Charles Thurman & Sons Limited Kingstown Broadway Kingstown Industrial Estate Carlisle CA3 0HA	1 205 92
CT03	TNT UK Ltd	PO Box 4 Ramsbottom Bury Lancs BL0 9AR	187 33
CT01	TV Licensing	Bristol BS98 1TL	23 22
CU00	University of Cumbria	Bowerham Road Lancaster LA1 3JD	73 985 87
CU01	University of Lancashire	C/o Controlaccount Plc PO Box 32310 London W5 1XN	10 672 13
CW04	Watson Burton	20 Collingwood Street Newcastle Upon Tyne NE99 1YQ	713 70
CW01	Weill Connected Scotland Ltd	20-22 Payne Street Glasgow G4 0LF	51 18
CW02	West Skelston Services Limited	PO Box 228 Emersons Green Bristol BS16 7WY	98 70
CW00	West Skelston Services Ltd	PO Box 228 Emersons Green Bristol DG1 3PH	251 20
CW05	William Kirkup Butchers	4B Swan Street Longtown Carlisle Cumbria CA6 5UY	0 00
CW03	WM Armstrong (Longtown) Ltd	Townfoot Longtown Carlisle Cumbria CA6 5LY	2 087 06
139 Entries Totalling			3 734 811.53

Gretna Football Club Limited
(In Administration)
Administrators' Trading Account
To 16/04/2008

S of A £	£	£
POST APPOINTMENT SALES		
Ticket Sales	26,991 49	
Merchandise Sales	1,640 82	
Sundry Receipts	2,179 03	
Donations	1,500 00	
Funds Advanced from SPL	272,000 00	
		304,311 34
OTHER DIRECT COSTS		
Players Accomodation	414 65	
Direct Labour	167,801 68	
Match Expenses	53,370 00	
Catering Expenses	147 38	
		(221,733 71)
TRADING EXPENDITURE		
Travel	2,005 28	
Insurance	7,038 90	
Bank Charges	92 00	
Security	824 25	
Sundry Expenses	12 00	
Stationery/Postage	70 38	
Room Hire	398 64	
Medical Insurance	1,167 00	
Accomodation & Subsistence	3,128 47	
Professional costs in respect of trading	56,000 00	
		(70,736 92)
TRADING SURPLUS/(DEFICIT)		11,840.71

Gretna Football Club Limited
(In Administration)
Administrators' Abstract of Receipts & Payments
To 16/04/2008

S of A £		£	£
824,000 00 (22,631 26)	HIRE PURCHASE F/H Land, Property, Plant & Fixtures Lloyds TSB Bank Plc	NIL NIL	NIL
Uncertain Uncertain 2,933 24	ASSET REALISATIONS Book Debts Memorabilia Cash at Bank Trading Surplus/(Deficit)	2,500 06 NIL NIL 11,840 71	14,340 77
	COST OF REALISATIONS Specific Bond Administrative disbursements	200 00 30 00	(230 00)
(24,932 24) (26,786 69)	PREFERENTIAL CREDITORS DE Arrears & Holiday Pay Employee Arrears/Hol Pay	NIL NIL	NIL
(391,851 71) (30,942 83) (18,913 82) (1,871,427 82) (439,762 22) (136,292 46) (829,000 00)	UNSECURED CREDITORS Trade & Expense Creditors Employees Dept of Employment B Mileson/ Heartshape Ltd Loan Acc Inland Revenue H M Customs & Excise Former Employee Claims	NIL NIL NIL NIL NIL NIL NIL	NIL
(6,070,439 00)	DISTRIBUTIONS Ordinary Shareholders	NIL	NIL
(9,036,046.81)			14,110.77
	REPRESENTED BY		
	Vat Receivable		19,857 10
	Bank 1 Current		37,320 69
	PDQ Receipts held by Lloyds TSB		2,079 87
	Petty Cash		732 35
	Accruing Expenses		(35,178 88)
	Vat Payable		(5,116 26)
	PAYE & NI		(5,584 10)
			14,110.77

GRETNNA FOOTBALL CLUB LIMITED – IN ADMINISTRATION

APPENDIX C

TIME ANALYSIS IN ACCORDANCE WITH SIP 9

Activity Report Summary (Post Appointment) for Gretna Football Club Limited 12/03/2008 To 16/04/2008

	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
	4 10	18 10	0 10	2 80	0 30	0 00	25 40	6 811 00	268 15
	7 40	1 20	1 00	0 20	0 00	0 00	9 80	2 671 00	272 55
	15 80	6 00	5 00	13 20	0 10	0 00	40 10	9 294 00	231 77
	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	6 50	0 00	7 50	52 70	9 90	3 00	79 60	13 668 50	171 71
	0 00	0 00	0 00	3 50	7 80	0 00	11 30	1 605 00	142 04
	28 00	71 80	0 00	320 10	0 00	0 00	419 90	77 703 00	185 05
	1 00	0 00	0 00	0 40	0 00	0 00	1 40	337 00	240 71
Investigations	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	0 00	0 00	0 00	2 10	0 00	0 00	2 10	315 00	150 00
	0 00	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
	5 20	4 80	0 00	12 60	0 00	3 50	26 10	5 428 00	207 97
	0 00	0 00	0 00	0 70	0 00	0 00	0 70	91 00	130 00
	3 60	2 20	1 10	1 70	8 10	42 00	58 70	11 610 00	197 79
	22 70	18 40	0 00	0 10	0 00	0 00	41 20	11 726 50	284 62
Trading	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	112 40	40 80	32 00	35 90	0 00	0 00	221 10	55 097 00	249 19
	17 80	3 50	39 50	26 70	16 20	0 00	103 70	22 192 50	214 01
	27 40	4 10	28 40	27 40	0 00	0 00	87 30	19 127 50	219 10
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	2 60	0 00	0 00	18 80	2 50	7 20	31 10	5 390 00	173 31
	0 00	0 00	1 40	5 20	0 00	0 00	6 60	1 084 00	164 24
	1 90	1 20	0 00	48 90	5 60	2 00	59 60	9 467 50	159 19
	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
	258 40	172 10	116 00	573 00	50 50	57 70	1 225 70	253 638 50	206 93
Total Hours									
Total Fees £	73 074 00	49 048 50	25 475 00	87 774 00	6 727 00	11 540 00	0 00	253 638 50	0 00

GRETNNA FOOTBALL CLUB LIMITED – IN ADMINISTRATION

APPENDIX D

WILSON FIELD CHARGE OUT RATES AND DISBURSEMENT POLICY

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

A CREDITORS' GUIDE TO ADMINISTRATORS' REMUNERATION SCOTLAND

This guide applies to all appointments on or after 15 September 2003. Any creditor requiring guidance on a case where the Insolvency Practitioner was appointed prior to 15 September 2003 should refer to the previous guide, which should have been issued to all creditors at the time of appointment.

1 Introduction

- 1 1** When a company goes into administration the costs of the proceedings are paid out of the company's assets in priority to creditors' claims. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's remuneration. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor remuneration and outlays and explain the basis on which remuneration and outlays are fixed.

2 The Nature of Administration

- 2 1** Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court 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 (without first being in administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.

Administration may be followed by a company voluntary arrangement or liquidation.

3 The Creditors' Committee

- 3 1** The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is established at the meeting of creditors which the administrator is required to hold within 10 weeks of the administration order (or longer with the consent of the court) to consider his proposals. The administrator must call the first meeting of the committee within 3 months of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide such information as it may require.

4 Fixing the Administrator's Fees

- 4 1 The basis for fixing the administrator's remuneration is set out in Rule 2 39 of the Insolvency (Scotland) Rules 1986 which states that it may be a commission calculated by reference to the value of the company's property with which he has to deal

It is for the creditors' committee (if there is one) to fix the remuneration and Rule 2 39 says that in arriving at its decision the committee shall take into account

- the work which, having regard to the value of the company's property, was reasonably undertaken by the administrator, and
- the extent of his responsibilities in administering the company's assets

Although not specifically stated in the rules, the normal basis for determining the remuneration will be that of the time costs properly incurred by the administrator and his staff

- 4 2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration will be fixed by the court on application by the administrator

5 What Information should be Provided by the Administrator?

- 5 1 Claims by the administrator for the outlays reasonably incurred by him and for his remuneration shall be made in accordance with section 53 of the Bankruptcy (Scotland) Act 1985 as applied by rule 4 68 which provides that within two weeks after the end of an accounting period, the administrator shall submit to the creditors' committee or if there is no creditors' committee, to the court

- his accounts of intromissions for audit,
- a claim for the outlays reasonably incurred by him and for his remuneration, broken down into category 1 disbursements, being those costs where there is specific expenditure relating to the administration of the insolvent's affairs and referable to payment to an independent third party, and category 2 disbursements, which are costs which include elements of shared or allocated costs, and are supplied internally by the administrator's own firm and

where the documents are submitted to the creditors' committee, he shall send a copy of them to the court

- 5 2 The administrator may at any time before the end of an accounting period submit to the creditors' committee (if any) an interim claim for category 1 and 2 disbursements reasonably incurred by him and for his remuneration

- 5 3 When seeking agreement to his fees and disbursements, the administrator should provide sufficient supporting information to enable the committee to form a judgement as to whether the proposed fee and disbursements are reasonable having regard to all circumstances of the case. The nature and extent of the supporting information which should be provided will depend on

- the nature of the approval being sought,
- the stage during the administration of the case at which it is being sought, and