

The Insolvency Act 1986

Administrator's progress report

2.24B

Name of Company:
Merthyr Tydfil Football Club Limited

Company number:
03612963

In the: High Court of Justice, Chancery
Division. Birmingham District Registry

Court case number:
8349 of 2009

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

I (a) Mark Bowen of MB Insolvency , 22 The Tything, Worcester, WR1 1HD

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

(b) Insert dates

from / to
12 June 2009 – 11 December 2009

Signed: Mark Bowen
Administrator

Dated: 07/01/2010

Contact Details:

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

Steven Wright	
MB Insolvency, 22 The Tything, Worcester, WR1 1HD	
	Tel Number: 0121 359 6455
Fax Number: 0121 333 7009	DX Number: N/A

SATURDAY



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COMPANIES HOUSE

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

Mark Bowen appointed administrator on 12 June 2009

The affairs, business and property of the Company are being managed by the administrator, who acts as the Company's agents.

Merthyr Tydfil Football Club Limited (In Administration)

Interim Report of the administrator pursuant to Rule
2.47 of The Insolvency Rules 1986

Period: 12 June 2009 to 11 December 2009

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1. COMPANY AND ADMINISTRATORS' DETAILS

Name of court: High Court of Justice, Chancery Division, Birmingham District Registry
Court reference number: 8349 of 2009
Company registered number: 03612963
Registered office: address: C/O MB Insolvency, 22 The Tything, Worcester, WR1 1HD
Names of administrator: Mark Bowen
Date of administrators' appointment: 12 June 2009
Person(s) making appointment / application: Merthyr Tydfil Football Supporters Society Limited
Changes in office-holder (if any):
Acts of the joint administrators: The administrator act as officer of the court and as agent of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.

2. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is my abstract of receipts and payments for the period from 12 June 2009 to 11 December 2009.

The administrator's remuneration is based on hourly costs at scale rates calculated on the time properly spent in the course of the administration and was approved at the initial meeting of creditors held on 5 August 2009.

No remuneration has been drawn to date in accordance with the above approval.

Total time spent to 11 December 2009 on this assignment amounts to 139.55 hours at an average composite rate of £166.90 per hour resulting in total time costs to date of £23,291.25.

The following further information as regards time costs and expenses is set out at Appendix 2:

- MB Insolvency policy for re-charging expenses
- MB Insolvency charge-out rates

3. ASSETS THAT REMAIN TO BE REALISED

There have been no asset disposals to date and the company assets, comprising of leasehold property and its football trading activities remain to be realised. Please refer to section 3 for further information.

Following administration claims were received from former directors of the company of title over certain chattel assets located at the trading premises. These items have been released to the claimants.

4. OTHER RELEVANT INFORMATION

'Club'

My Proposals to creditors of 21 July 2009, I advised that I had met and had dialogue on numerous occasions with The Southern League, the Football Association, Supporters Direct and Merthyr Tydfil Football Club Supporters Society ('MTFC') with regards the technical practicalities of starting trading as a Football Club during the forthcoming season in administration.

Following those discussions, 'MTFC' started the 2009/2010 football season trading the business under a Management and Trading Agreement. The business has continued to trade from the premises known as Penydarren Park, Merthyr Tydfil under a tenancy at Will.

A £10,000 Bond was lodged by MTFC ('the licensee') in support of the management & trading agreement to cover any default event.

Within the trading agreement it was provided that MTFC pay £500 plus VAT per week as a license/ management fee. Due to the ongoing trading difficulties experienced this agreement is in arrears.

The period of trading by MTFC has provided the opportunity for further interest in the company's business and assets to be identified. I have continued to market the company's assets which includes the Footballing Activities ('Club') as well the leasehold premises ('property')

The Footballing Activities ('the club') has been marketed through various channels including the FA, The Football League, The Zamerretto League as well as via the Merthyr Tydfil Football Supporters Society.

Several expressions of interest and several offers have been made (including from the Merthyr Tydfil Football Supporters Society). However non at an acceptable level. Any offer would need to be sufficient to promote the requisite exit into a Creditors Voluntary Arrangement that would comply with the Football League requirements for the company to continue trading.

'The Property'

With regards to the leasehold interest in the property (known as 'Penyadarren Park, Merthyr Tydfil 'the property') my agents MGR Appraisals have received interest and have recommended an offer from a third party. The offer would provide for a return to creditors.

The offer is subject to the satisfaction of several conditions and a period of exclusivity with the third party has been entered into in order to satisfy those conditions. This offer does not exclude the administrator from entering into discussions with the shareholders, creditors or mortgagees of the company's existing assets.

The offer has not at this stage been formally accepted.

During the administration period, MTFC have been covering the costs of the utilities, ground rent and rates and no undertakings have been issued by the administrator.

Merthyr Tydfil Borough Council ('freeholder') have advised that a rent review is due under the terms of the lease on 01 April 2010, and have suggested a rent increase to £25,000 per annum. I have instructed my agents MGR Appraisals with regards to the review negotiations in view of the proposed increase representing a ten times increase from £2,500 per annum to £25,000 per annum.

As mentioned above the ongoing trading of the business is not profitable and therefore a rent increase at the level proposed will further hamper the viability of the business.

Other Information

In order that the purpose of the administration may be fully achieved, I propose to remain in office as administrator to conclude the realisation of the company's property (namely the sale of the leasehold interest ('property') and the sale of the footballing activities ('the club')).

To achieve this, 'MTFC' will continue to trade under their agreement, subject to their willingness to do so and satisfactory adherence to their terms of trading and occupation, whilst continued marketing of the sale of the Footballing Activities is undertaken.

5. CONCLUSION

Following these events, and dependant on the ongoing negotiations, my proposed exit from Administration remains as per my initial report to creditors, primarily that the company seeks to formulate proposals in order to enter into a Creditors Voluntary Arrangement ('CVA').

It may transpire that it is not possible to finalise the administration as envisaged within one year of the date of appointment. In particular, this situation will arise if I am not able to conclude the realisation of the leasehold interest ('the property'). Yet Paragraph 76 of Schedule B1 to the Act provides that the appointment of an administrator shall cease to have effect at the end of the period of one year beginning with the date on which it takes effect.

However, the administrator's term of office may be extended either by court order for a specified period or by consent of the creditors for a specified period not exceeding six months.

I will report again at the conclusion of the administration, or if it becomes necessary at some future time for me to seek creditor consent to extend the period of the administration following the anniversary of my appointment in order to ensure that the objective of the administration can be fully achieved.

A handwritten signature in black ink, appearing to read 'Mark Bowen', with a stylized flourish at the end.

Mark Bowen
Administrator

Dated: 7 January 2010

ADMINISTRATOR'S ACCOUNT OF RECEIPTS AND PAYMENTS

Period 12 June 2009 to 11 December 2009

	Receipts & Payments to date £	Anticipated Receipts & Payments £	Projected Outcome £
RECEIPTS			
Bank Interest Gross	16		
Management/ License Fee	4500		
MTFC Contribution to Ground Rent	1250		
Water Bond Refund	£3,487		
Bond	£10,000		
VAT Contribution on Trading Sales	1864		
	<u>21,117</u>	<u>-</u>	<u>-</u>
PAYMENTS			
Administrator's disbursements	(481)		
Administrator's fees	-		
Agent's fees & expenses	-		
Legal fees	-		
Ground Rent	(1,250)		
VAT Paid on Trading Sales	(1,877)		
	<u>(3,608)</u>	<u>-</u>	<u>-</u>
NET	<u>17,509</u>	<u>-</u>	<u>-</u>
Held as			
Cash at Bank Administrator	7,418		
Cash at Bank - Tenant Bond	10,007		
Cash at Bank - Trading Account	(13)		
Undeposited Funds	97		
	<u>17,509</u>		

Note - VAT has been accounted for to HMRC in respect of actual sales. The receipt from MTFC has resulted in a shortfall of £13

MB Insolvency summary of time spent for the period 12 June 2009 to 11 December 2009

Classification of work	Partner	Manager	Administrator	Support	Total Hours	Time Cost £	Average Rate £/h
Statutory compliance, administration and planning		5.00	27.25	1.25	33.50	4,170.00	124.48
Investigations	4.50				4.50	1,237.50	275.00
Realisation of assets	6.20		36.75		42.95	5,960.00	138.77
Trading	4.40		0.25		4.65	1,240.00	266.67
Creditors			24.25	1.75	26.00	2,997.50	115.29
Case specific matters	27.95				27.95	7,686.25	275.00
Total hours	43.05	5.00	88.50	3.00	139.55		
Total fees	11,838.75	800.00	10,465.00	187.50		23,291.25	166.90

Chargeout rates:

Partner	£225-£350
Manager	£175-£220
Administrator	£70-£160
Support	£50-£70

Standard Activity

Statutory Compliance, administration and planning

Investigations

Realisation of assets

Trading

Creditors

Examples of Work

Statutory reporting and compliance
 Compliance with other regulatory requirements
 Case planning
 Administrative set up
 Appointment notification
 Maintenance of records

SIP 2 review
 CDDA reports
 Investigating antecedent transactions

Identifying, securing, insuring assets
 Retention of title
 Debt collection
 Property, business and asset sales

Management of operations
 Accounting for trading
 On-going employee issues

Communication with creditors
 Creditors' claim (including employees and other preferential creditors)

MERTHYR TYDFIL FOOTBALL CLUB LIMITED - IN ADMINISTRATION

APPENDIX 2

MB Insolvency Summary of category 1 disbursements for the period 12 June 2009 to 11 December 2009

	£
Bond	104.00
Advertising	376.87
Postage	TBA
Telephone	0.00
Car mileage	38.50
Travel	0.00
Subsistence	0.00
External room hire	0.00
External photocopying	0.00
External storage	0.00
Money Laundering	0.00
Swear Fee	0.00
Company Search Fee	0.00
Professional Fees	0.00
Other	0.00
	<hr/>
	519.37

MB Insolvency Summary of category 2 disbursements for the period 12 June 2009 to 11 December 2009

Photocopying/Printing	TBA
Fax	0.00
Colour photocopying	0.00
Registered office fee	0.00
Storage	0.00
IPS charge	0.00
Room hire	0.00
	<hr/>
	0.00

Category 2 disbursement rates:

Type	Rate
Photocopying/Printing	£0.15 per sheet
Fax	£0.40 per sheet
IPS charge	£25 per quarter, max £200
Room hire	£30-£50 per hour