



2007/08 – Administration and aftermath – The Chronology

Step by controversial step, the story unfolds

October 2006

United use the settlement from Chelsea for tapping up two youth players to pay Her Majesty's Revenue & Customs (HMRC) £1.4m in arrears on PAYE/NIC and VAT.

Monday, 21 January 2007

Ken Bates reveals that United have paid £15.9m to agents, former players and ex-managers since he took control in 2005. Leeds have paid £5m to HMRC in the past two years with another £2.6m due before 2008. Although the wage bill has fallen by £1m from £13.4m last year, the club are paying £1.6m a year to rent Elland Road and Thorp Arch.

Tuesday, 30 January 2007

The Guardian reports that former Leeds director Melvyn Levi is preparing legal proceedings to recover £1m in loans secured against the now-defunct company that owned Leeds United. The final claim could total between £4m and £5m. The 62-year-old was a member of Gerald Krasner's Yorkshire consortium. Levi's claim follows an action which led to a winding-up order being issued against the company, then called Romans Heavies Ltd, last June.

Saturday, 10 March 2007

Ken Bates writes in United's match day programme: "I certainly touched a raw nerve when I took the lid off the Melvyn Levi scandal. He promptly rang his pet columnist who writes in a national newspaper and followed it up with a TV interview in the spacious gardens of his magnificent house. Apart from a lot of hot air he avoided the whole central issue and never was he asked any questions by the interviewer Harry Gratton, who certainly is no Jeremy Paxman. Harry also introduced him as a life-long Leeds fan, although I

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Sport > Football

Former Leeds director to sue over £1m loan

Matt Scott

The Guardian, Tuesday January 30 2007

[Article history](#)

The former Leeds director Melvyn Levi is preparing legal proceedings in an attempt to recover £1m in loans secured against the now-defunct company that owned Leeds United. The final claim, which could include a demand for unsecured loans and damages, could total between £4m and £5m. The 62-year-old was one of the club's directors under the Yorkshire consortium led by Elland Road's then chairman, Gerald Krasner. Levi's claim follows an action which led to a winding-up order being issued against the company, then called Romans Heavies Ltd last June.

The latest claim will detail how, during their stewardship of Leeds through the company Adulant Force, members of the consortium loaned significant sums to the club to be used as the working capital that would keep it afloat. They relinquished control when the current chairman, Ken Bates, headed a takeover of the club in early 2005. That led to members of the Yorkshire consortium agreeing their loans should be guaranteed by a company that owned 50% of the shares in the football club. Bates benefited from an option to buy back those shares.

A source close to Bates said that he was prevented from exercising the option by the Yorkshire group. The source alleged that the consortium had demanded a payment of £250,000 and to retain 10% of the club's shares in order for the option to be completed. A consortium source alleged that the terms of the option buy-back as proposed by Bates were unsatisfactory.

The Guardian – 30 January 2007

have never met anybody who can confirm that. Come on Mr Levi, who won't you answer the questions...

1. Why did you refuse to complete the share option in 2005?
2. Why are you trying to frighten off would be investors?
3. Are you trying to blackmail me into paying you money to go away?
4. Why won't your wife's first husband pay Leeds United the £190,000 he admits he owes?
5. Why do you keep telling the few people who still listen to you that I am anti-Semitic?
6. What did I write in my column that you thought was written in "Nazi" language?

"You are just playing the race card again. Everybody knows what I am not anti-Semitic, just anti Levi!

"Three weeks ago the CEO of Alamo Rentacar introduced me, at his request, to a man with £100 million cash in the bank. The man flew down to see me in Monte Carlo. We had a pleasant lunch which was repeated last Sunday with detailed discussions about the way forward. All very enthusiastic. Wednesday morning he rang, apologized, but said he would not be proceeding because of the 'Levi factor'.

"Thanks Melvyn [unreadable, crossed out by someone with black marker], you do know that your phone number is in the book don't you?"

Tuesday, 27 March 2007

After Astor Investment Holdings and the Krato Trust had contacted the club threatening to withdraw ongoing support and place it into liquidation unless security was granted in Astor's favour, the United board agree to the request.

Saturday, 31 March 2007

Club balance sheet shows debts totalling £34.7m, with a cash injection of approximately £10m required to continue trading.

Wednesday, 4 April 2007

Astor secures its loans over the club with a debenture. According to a charge created and lodged with Companies House, the British Virgin Islands-registered company holds a mortgage over club assets. The most recent accounts filed at Companies House also show that Astor has more than £8m in loans outstanding.

Tuesday, 17 April 2007

HMRC serve a winding up petition on the club for an amount of £5m, issued by the High Court of Justice in Bristol and scheduled to be heard on June 27.

Saturday, 28 April 2007

United draw 1-1 against Ipswich Town to virtually end their chances of avoiding relegation. The end of the game is delayed by 30 minutes following a pitch invasion.

Monday, 30 April 2007

United hold a board meeting to discuss the club's future. The club asks accountants KPMG to advise it

The screenshot shows a web page from Telegraph.co.uk. The main headline is "Leeds tumble to all-time low". Below the headline, it says "By Trevor Haylett at Elland Road" and "Last Updated: 12:31AM BST 29 Apr 2007". There is a photograph of a football player, Richard Cresswell, on the pitch. Below the photo, the text reads: "All-time low: the reality of Leeds United's plight begins to dawn on Richard Cresswell". There is also a section for "Football fans' forum" with the score "Leeds United (1) 1 Ipswich (0) 1". The article text continues: "Leeds United are down, and the reputation of their supporters sank with them as a pitch invasion forced a premature halt to a game that consigned a once formidable institution to the third tier of English football for the first time." and "It was already shaping up as the blackest day in the club's history, oblivion beckoning through Ipswich's 88th-minute equaliser and results elsewhere, when hundreds of fans swarmed onto the field, forcing referee Mike Jones to usher off the players even though the additional six minutes at the end of normal time had not expired."

The Telegraph – 29 April 2007

on administration.

Tuesday, 1 May 2007

Former Sheffield United chairman Mike McDonald plays down reports linking him to a buy-out.

Former Leeds chairman Gerald Krasner says, " I'm 90 per cent sure that before next Tuesday Leeds will be in administration unless a white knight comes along in the meantime."

Wednesday, 2 May 2007

BBC Radio Five Live claim that an emergency board meeting had been called for 8.30am yesterday but this is vehemently denied by a United spokesman.

Thursday, 3 May 2007

The Times reports that Simon Morris, a property developer who was part of the consortium that sold to Ken Bates two years ago, has tabled a bid to take over Leeds. It is believed that Morris wants to use land at Elland Road to create a 13,000-seat Leeds Arena.

Friday, 4 May 2007

At 3.15pm it is announced that KPMG Restructuring have been appointed administrators of Leeds United Association Football Club Limited. Shortly afterwards they agree to sell the business and assets to a newly formed company called Leeds United Football Club Limited, the directors of which are Ken Bates, Shaun Harvey and Mark Taylor.

Gerald Krasner: "The Bates deal is not a done deal because it has to be approved by creditors and I know of seven other consortiums who are interested in making a bid for Leeds. I must stress I'm not part of any of these consortiums. I have no financial interest in any of this."

Saturday, 5 May 2007

The Telegraph reports that former West Ham chairman, Terry Brown, has been plotting a takeover bid.

Sunday, 6 May 2007

Sky TV reports that Duncan Revie - son of former Leeds United manager Don - intends to form a consortium capable of buying the club.

Wednesday, 9 May 2007

The Guardian reports that former director Simon Morris has launched a £10m bid to buy the club and build a new 50,000-seater stadium as part of a £400m "world-class leisure venue". If successful, he will provide a further £25m to bring financial stability to Elland Road. SR Morris Group say they plan to invest £400m in the scheme.



BBC website - 30 April 2007

Saturday, 12 May 2007

The Daily Mail reports that Duncan Revie will this week ask Ken Bates to name his price after being backed by supporters who want him to take over the club. Revie has been discussing finance with a number of backers, including the wealthy Maktoum family, who rule Dubai.

Monday, 14 May 2007

KPMG write to creditors with details of the financial position including a full list of the £38m owing to creditors. Astor Investment Holdings Limited, Forward Sports Fund and Krato Trust are the biggest three, at £17.6m, and have given their unqualified support for the Bates offer.

Wednesday, 16 May 2007

KPMG announce that a creditors meeting will be held on June 1. Joint administrator Richard Fleming says: "Creditors will be invited to vote on the proposal and any modifications that emerge. We know from preliminary discussions that the deal is supported by some of the larger creditors by value, however it still requires a majority of 75% to be approved. If the proposal is carried, the CVA process will move forward, which will involve agreeing the club's new ownership with the Football League and paying a dividend to creditors. If not, we will seek an alternative solution, and again request creditor approval."

Gerald Krasner brands Ken Bates' offer as "utterly derisory", saying, "It appears that Mr Bates' new company is proposing a dividend of 1p in the £1. Effectively, he will have bought the club back debt free for approximately £500,000, including professional costs."

Monday, 21 May 2007

BBC Radio Leeds reports that all but four of United's players have agreed to a request to defer their wages until after the approval of the CVA in June.

Tuesday, 29 May 2007

Bates warns that if his bid fails the club could be liquidated.

The Daily Express reports on Project Peacock, "an attempted £1 billion business coup designed to discredit Leeds chairman Ken Bates, remove him from power at Elland Road and buy up the stadium for redevelopment". The plan, commissioned by would-be Leeds buyer Simon Morris, entails compiling a 'black book' on Bates and others involved in the ownership of land adjacent to the club.



The screenshot shows the BBC Sport Football website. The main headline is "Leeds players agree wage deferral". The article text states: "All but four of Leeds United's players have agreed to a request to defer their wages, reports BBC Radio Leeds. The club's administrators KPMG liaised with the Professional Footballers Association and the Football League before entering a deed of deferral. Thirty two of the 36-strong squad have agreed in order to help secure the long-term future for the club. Leeds, who have been relegated to League One, went into administration before the end of the season. The wages of the players who have agreed to the deferral will be paid after the approval of the CVA at a meeting of the creditors next month. The administrators will pay those who did not sign the deed of deferral. Chairman Ken Bates is hoping to buy back the club, who are £35m in debt, on 1 June when their creditors who are owed money are expected to be offered one penny in the pound." The page also features a "606: DEBATE" section with a "Your reaction to this news" link.

BBC website – 21 May 2007

Thursday, 31 May 2007

Ken Bates tells the Yorkshire Post: "We have six serious would-be investors whom you have never read or heard about. They want to come in once Friday is out of the way. One is an American group who have just completed a huge takeover."

The Guardian reports that Astor is willing to turn down £8m to ensure that Ken Bates retains control of the club - and will allow United to be bankrupted if the deal does not go through. Astor's claim against the club is in the region of £18m. That sum makes it the most influential creditor and entitles it to approximately 45% of the votes in today's ballot - 75% of votes are required to approve any single bid.

Friday, 1 June 2007

The creditors meeting takes place. There are 6 bids in total, 5 from the UK and the other from a US based group. The count shows a total of 75.02% in favour of the Bates deal. KPMG adjourn the meeting and arrange for a recount to be held on Monday morning. KPMG disallow a substantial number of creditor votes on both sides and it is reported that even if the recount confirms the vote, Bates faces the threat of legal action.

Saturday, 2 June 2007

The Yorkshire Post reports on the creditors meeting.

- KPMG warned that Bates' offer of 1p for every pound owed was effectively the only acceptable deal on the table because it was the only one the largest creditor had said it would support. With more than 25 per cent of the debt they could block any agreement
- Consequently, despite at least five other offers on the table to buy the club with a greater return for creditors, the club would face potential liquidation if Bates' deal was not accepted. It was a position that many major creditors at the meeting found unpalatable, with a series of searching questions asked about any possible links between Astor and Bates. If a link was established it could have affected Astor's ability to vote on the grounds of a potential prejudicial interest
- KPMG had been unable to find any link despite intense investigation and accepted sworn

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Back Bates bid or see Leeds go bust says major creditor

Offshore company to turn down £8m at ballot today
Astor holds 45% of votes in deciding between bids

Matt Scott

The Guardian, Friday June 1 2007

[Article history](#)

Leeds United's biggest creditor is willing to turn down £8m to ensure that Ken Bates retains control of the club - and will allow the League One side to be bankrupted if the deal does not go through.

The administrator, KPMG, has set up two ballots for creditors today to determine the future ownership of the Elland Road club. Mark Taylor, a current Leeds director and member of Bates's Leeds United Football Club consortium bidding to take over today, said the offshore company Astor Investment Holdings has a claim against the club in the region of £18m.

That sum makes it the most influential creditor and entitles it to approximately 45% of the votes in today's ballot - 75% of votes are required to approve any single bid. Astor had already made plain to the administrator its preference for Bates's bid, which is one of six on the table and offers to pay creditors only 1p in every pound owed.

The pressure has been stepped up in recent days and, having received instructions from Astor, KPMG has issued a letter to all creditors warning that the offshore company will veto all offers other than the Leeds United Football Club bid, whose directors are Bates, Taylor and the club's current chief executive, Shaun Harvey. KPMG's letter states further that, if the Bates bid is not approved, Astor will allow the club to slip into liquidation.

The Guardian website - 1 June 2007

statements from Bates and Mark Taylor, plus a letter from Astor that they were unconnected. It then transpired that Leeds United's last company accounts included a direct reference to Astor having "an interest in Forward Sports Fund", the club's owners, as of June 30 last year. The administrator admitted the link had not been known, but Mr Taylor told the meeting: "There was an association on June 30 – there isn't now."

- Former Leeds United chairman Gerald Krasner attempted to force an amendment to the deal which would force Bates to remain at the helm of the club for more than five years or pay a penalty to creditors, but Astor blocked the move, meaning Bates could sell up after six months
- Creditors expressed concern that the administrator had done a deal with Bates requiring only £500,000 in up front funding when other parties had been told to show proof of funding amounting to £10m.
- Taylor abruptly announced that Bates' deal would include a further £5m for creditors if Leeds returned to the Premiership in the next five years. He openly said he had borrowed the idea from local property developer Simon Morris. The potential extra payment was included in the final deal put to 1,300-plus creditors.

Simon Morris increases his offer to 40p-in-the-pound in a desperate late bid to stop Bates from regaining control. It was reported that because the vote had already taken place, the offer could not be put to creditors.

Monday, 4 June 2007

The recount confirms that the Bates deal is successful, polling 75.2% of the vote. The club will remain in administration for a further 28 days to allow any creditor who wishes to dispute the sale to go to court.

Tuesday, 5 June 2007

It had been expected that the club's Football League share would be returned at tomorrow's League board meeting in Portugal. However, due to legal reasons that state it must take a further 28 days for the CVA to be formalised, United will have to wait until the League's board meeting on July 12 before their share can be returned.

Friday, 8 June 2007

Football League clubs vote to close the loophole that allowed Leeds United to go into administration without suffering a ten point deduction for next season. From now on, any club going into administration after the fourth Thursday in March will have the point deduction

The screenshot shows the Times Online website interface. At the top, it says "News Site of the Year | The 2008 Newspaper Awards" and "TIMES ONLINE". The navigation menu includes "NEWS", "COMMENT", "BUSINESS", "MONEY", "SPORT", "LIFE & STYLE", "TRAVEL", and "DRIVING". Below this, there are links for "MARKETS", "ECONOMICS", "INDUSTRY SECTORS", "COLUMNISTS", "MOVERS & SHAKERS", and "LAW". The main content area shows the article "Battle for Leeds United goes into extra time" by Ben Laurance, dated June 3, 2007. The article text includes: "MORE THAN 200 people had gathered under the sour neon lighting of the Leeds United banqueting suite. There were a few fans, wearing their replica white Leeds shirts and fretting about the possibility that their beloved club might be relegated to the Northern Conference League. Grey suits, however, were the strip of choice. This was to be a battle not between footballers but opposing teams of lawyers and accountants. It was arguably the most important fixture since Leeds joined the League in 1920. For six hours on Friday, in a room lined with evocative, grainy black-and-white prints of the club's past heroes – Johnny Giles, Billy Bremner, Peter Lorimer – arguments flew back and forth about the rights and wrongs of the attempt by Leeds chairman Ken Bates to take back control of the club, which went into administration a month ago. And the conclusion? This match will go to at least one replay – and possibly many, many more. Leeds was put into administration on May 4. Its debts were piling up. It was being chased for £5m owed to Revenue & Customs. And relegation from the Championship was a virtual certainty. But just as the administration was announced, along came a new company – also headed by Bates – to buy the club with net debts of £35m." On the right side, there is a "TIMES RECOMMENDS" section with three items: "Millions enter fuel poverty as energy costs soar", "High street sales stage surprise upturn", and "Persimmon says housing market will not worsen". Below that is a "QUOTE SEARCH" section with a table for "Company" and "Fund" and a search box. At the bottom right, there is a "WORLD MARKETS" section with a line chart for "FTSE 100" showing an upward trend from 5,400 to 5,500.

The Times website – 3 June 2007

suspended until it is known whether the punishment will have "a material effect".

If the club is relegated, the sanction will then be imposed for the start of the following season. If the club has not been relegated, it will suffer the points deduction in the current season. The rule change was passed unanimously by the 72 chairmen at the League's annual general meeting in the Algarve.

Wednesday, 13 June 2007

Yorkshire MP Phil Willis calls on the Serious and Organised Crime Agency and the Serious Fraud Office to probe the involvement of anonymously-owned offshore companies in forcing through the resale of Leeds.

Wednesday, 27 June 2007

The Telegraph reports that the Economic Secretary to the Treasury, Ed Balls, yesterday held a meeting with tax officials and MPs to discuss a possible challenge to the Bates deal. An insider tells the Telegraph: "We are furious at the raw deal we have got out of this debacle."

Monday, 2 July 2007

Ken Bates raises his offer to creditors from 1p in the pound to 8p in an attempt to prevent any appeals. The offer follows a meeting between Leeds United officials, KPMG and HMRC. The initial agreement included a promise of a further £5m payment to the creditors if the club regained top-flight status within five years, but under the new offer this time frame has now been extended to 10 years. The club said the offer was better than other offers reported to have been made, all of which were subject to conditions and due diligence. The offer is conditional on there being no challenge to the transfer to his new company. "If the CVA is challenged the consequence will be liquidation and Leeds United will cease to exist and 500 jobs will be lost. It is our view that any challenge now will not be made on commercial grounds but is either politically or personally motivated."

Tuesday, 3 July 2007

Just before the 16.00 BST deadline, HMRC serves notice of their intentions to challenge the CVA.

Wednesday, 4 July 2007

Simon Franks says he is ready to buy Leeds United through his Redbus investment vehicle. Franks claims his offer is substantially higher than that of the club's chairman Ken Bates.

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Last Updated: Wednesday, 6 June 2007, 14:26 GMT 15:26 UK

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Bates unhappy with Inland Revenue

Leeds chairman Ken Bates says the club had to go into administration due to the actions of the Inland Revenue.

Bates told BBC Radio Leeds: "The Inland Revenue acted extremely unreasonably."

"Over the last two-and-a-half years Leeds have paid between £15m and £20m to the Revenue, but our cash flow dried up and we asked for a holiday."

"The Revenue said no and put forward the petition to wind up the club. I'm sorry small creditors have lost money, but that is totally down to the Revenue."

Bates added: "We were happy to pay everyone over a period of time."

"The fault for Leeds United creditors should be place fairly and squarely at the Revenue's door."

On Monday Bates regained control of Leeds Utd following a recount of votes taken at last week's creditors' meeting.

After putting the club in administration with debts of £35m on 4 May, Bates required 75% of creditors' votes to buy the club back.

Bates arrived at Leeds in January 2005

BBC website – 6 June 2007

Friday, 6 July 2007

A preliminary High Court hearing in Leeds is adjourned after setting 3 September as the date for the full hearing.

The Yorkshire Post reports that the Football League will discuss the situation next week and are likely to allow Leeds to start the new season despite the looming court case. But there are concerns that Bates' threat to cease funding due to a legal challenge by HMRC could have severe implications. Leeds are in the hands of administrators KPMG who are legally obliged not to run up any more debt and, if no funding is coming in, to begin to wind the club up.

KPMG announce that Leeds United are for sale. A spokesman says: "We are putting the club up for sale and offers must be in by 5pm on Monday."

Sunday, 8 July 2007

Ken Bates tells Yorkshire Radio that he will take legal action if the club is sold to a rival bidder. He says: "Our bid is the original deal that was done in the meeting of creditors on June 1. We have amended it twice to try and meet HMRC's objections and now we've withdrawn the conditionality of it, so it's unconditional."

The BBC reports that investment firm Redbus and property developer Simon Morris have submitted a joint bid to buy Leeds United. Redbus chairman Simon Franks says they had made an offer despite "impediments" being put in their way.

Monday, 9 July 2007

The Guardian reports that by 5pm definite bids had been received from Bates and Simon Franks' Redbus Group. There are strong rumours that further offers had been made by two separate consortiums. One is said to be fronted by Adam Pearson, the former Hull chairman and former Elland Road director, and the other by Simon Morris. However, there were also unconfirmed suggestions that Morris' offer was in partnership with Redbus.

KPMG announce that they will delay their final decision on the sale until 12 noon on 10 July to ensure that bidders can demonstrate proof of funds.

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Bates' rival enters Leeds fray and pledges to restore former glories

Matt Scott

The Guardian, Thursday July 5 2007

[Article history](#)

Ken Bates has been accused of "playing with the emotions" of Leeds United fans with his claims this week that the club could collapse as a result of the taxman's challenge to his takeover.

HM Revenue and Customs (HMRC) lodged its formal opposition to the Bates consortium's takeover on Tuesday, with a preliminary court hearing set for tomorrow. A meeting was held yesterday involving the Football League and the administrator, KPMG, and there was another summit involving KPMG, HMRC and club directors as Bates sought to rescue his consortium's ownership of the club.

It is believed that the consortium is willing to improve on its 8p-in-the-pound offer, which the taxman had rejected on Tuesday. But in the meantime rival bidders were joining the fray.

Simon Franks, of the Redbus Group, a corporate fund that specialises in turning around ailing companies, yesterday declared his firm's interest.

"We have put in an offer of considerably more than the 8p bid by Bates," said Franks. "We are the only UK group bidding for Leeds for its football abilities. Unlike other bidders', ours is not a property deal. We believe that Leeds is a top-10 team and its rightful place is in the Premiership."

The Guardian website – 5 July 2007

Tuesday, 10 July 2007

KPMG announce that the club has been sold to Ken Bates for an undisclosed sum.

Wednesday, 11 July 2007

The Independent reports that KPMG are locked in talks with Football League officials yesterday in their attempts to sell Leeds United.

Thursday, 12 July 2007

The Football League confirms that it has turned down United's request for the Football Share: "The Board was unable to consent to this request. It has requested certain documentation and assurances regarding the sale of the club. The Board also requires certainty on the current legal proceedings surrounding the administration." The League discussed Leeds at a board meeting on Thursday which it had expected KPMG to attend. "However, the League was informed late yesterday afternoon that they would not be attending, with no explanation provided," it said.

"Additionally, the Board expressed concern at the handling of the whole process by the administrators and the Chairman was instructed to obtain legal advice in that regard." Aware of the impact of its reservations about the sale, the League said: "Clearly any further delays in this process will be frustrating for supporters. However, like the club's fans, the Board recognises the pressing need for certainty regarding the future of League football in Leeds."

The Daily Mail reports that United will be cleared to start the new League One season, despite the Football League playing hardball over Ken Bates' controversial deal to buy back the club. But the transfer embargo imposed when Bates took the club into administration would stay. They could sell but not sign players. The club were last night rushing paperwork to the League.

The FA gives Leeds the all-clear to play York in a pre-season friendly tonight after being given certain assurances. An FA spokesman tells PA Sport: "We are happy for the game to go ahead as long as it's being played by the old club - Leeds United in administration. As long as players and trialists are registered to the old entity we have no objections."

United say: "Leeds United have received confirmation that the documentation outstanding from KPMG has now been forwarded to the League for their consideration. The club are concerned that any issues the League board may have with the conduct of the administration process by KPMG



The Independent website – 11 July 2007

should not affect the decision-making process as to the return of our share in the League and are seeking assurances from them on this point. The club, as well as KPMG, have been asked to provide additional information; the last of these requests was received at 10am on Thursday morning. These have been answered in full to support our application for the transfer of the share. The club remain confident that any further questions that the League may have in this regard will be answered in full by return."

Wednesday, 18 July 2007

HMRC claim that Ken Bates and his solicitor, Mark Taylor, may have breached insolvency law by acting as directors of Leeds United Football Club Limited, the new company formed to buy the club out of administration.

Thursday, 19 July 2007

The Guardian reports that FA officials have written to United asking for clarification over what may be a breach of its rules governing ticket sales. KPMG signed over the right to sell season tickets at Elland Road to the Leeds United 2007 consortium led by Ken Bates. This was done despite no Football League approvals having been received for Bates' purchase of the club. Until League approvals are granted it is the old club and not Leeds United 2007 that will compete in next season's League One. The FA wants to know how the handover of rights to season-ticket sales cannot be a breach of rules.

Friday, 20 July 2007

United confirm their players have not been paid their wages for June. A statement says: "It is disappointing they have not been paid but it is in accordance with agreements they entered into with the administrators."

Saturday, 21 July 2007

Fans protest by laying flowers, scarves and shirts around the statue of Billy Bremner, outside the Elland Road ground. The club's official website claims this as a spontaneous show of support for the current regime, ignoring the fact that many of the messages penned alongside the flowers and shirts call for Ken Bates to go. United fans react angrily to the claim.

Tuesday, 24 July 2007

Chief Executive Shaun Harvey says: "The club have been in contact with the Football League to

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Members-only club may still blackball Leeds

Ken Bates has to wait as the Football League takes legal advice over purchase of the League One side

David Conn

The Guardian, Wednesday July 18 2007

Article history

The administrator of Leeds United, KPMG, believes it completed its work last week with the sale of the business to a new company chaired by Ken Bates for an amount it has not disclosed. But KPMG may have more to do yet before it can move on from this most tangled of jobs. Football club insolvencies are not like those in other industries and Bates's new company, Leeds United Football Club Limited, has no business at all unless the Football League agrees to allow it membership. That remains far from certain.

To do so would require the League to make an exception in its insolvency policy for Leeds, after standing firm on all the other 41 clubs which have collapsed into insolvency since 1992. The League's policy requires, controversially, that "football creditors" - players, other clubs and the League itself - must be paid in full but the League must also be satisfied that the best possible deal has been obtained for other creditors. This would normally be via a Company Voluntary Arrangement (CVA) - unless there are exceptional circumstances - because a CVA is a formal procedure which requires 75% of creditors to agree.

The Guardian website - 18 July 2007

seek clarification when the Football League board will reconvene to consider the club's application to transfer the share. We are awaiting a response."

KPMG write to United creditors detailing the terms of the sale and their reasons for accepting it as the best on offer.

Friday, 27 July 2007

The Football League issue the following statement: "The Board of The Football League met today to consider the current situation regarding Leeds United. At the meeting, the Board were informed by their legal representatives that KPMG had delivered on Wednesday the final documentation requested by the League. The Board therefore convened at the earliest opportunity. The Board considered all the information submitted and authorised the Chairman to invite senior representatives of Leeds United 2007 Ltd and KPMG to a meeting early next week with a view to seeking to make progress."

Saturday, 28 July 2007

Fans strip to the waist and remove their shoes as they chant 'Bates out' during the club's 2-0 friendly defeat at Burnley.

Tuesday, 31 July 2007

KPMG and United meet with League chairman Lord Brian Mawhinney for four hours in an attempt to restore the Football Share - but the

Football League insist that the matter is resolved via a CVA. This means that the trade embargo placed on the club remains in place just nine days before United's season opener against Tranmere Rovers. However, Lord Mawhinney reiterates that Leeds CAN start the season in administration.

Thursday, 2 August 2007

David Hartnett, the second most powerful official at HMRC, insists that Leeds must pay the £7.7m owed in tax.

The Football League impose a 15-point penalty after KPMG reject a call to reconstitute the CVA. That meant the deadlock could not be resolved and the League felt decisive action had to be taken with the season just a week away. United's share in the League has now been transferred to the new company.



PRESS DETAILS

August 28, 2007

Bates won back Leeds without making biggest bid

Matt Scott (Guardian News)

Ken Bates won control of Leeds United despite KPMG being presented with bigger cash offers, documents released by the administrator showed yesterday. The bid on behalf of Bates's Leeds United 2007, the company demanding the transfer of the Football League share which would endorse its takeover, was for an unconditional £1.8m. A tender from Redbus Group and Simon Morris offered almost double that sum - £3.501m.

What apparently swung the process in Bates's favour was that Astor Investment Holdings, an offshore company, stated its willingness to waive the £17.6m it was owed. Had any of the three rival bids won, Astor would have stood firm on the £17.6m. This meant the £3.5m offered by Redbus-Morris would have been spread much thinner, across £30.25m as against the £12.6m being demanded of Bates. "The key factor is the Astor waiver of the debt for one of the bidders, which at the least is unusual," said Dean Dorrell, the chief executive of Redbus. "Coming across insolvencies as often as we do, it's unusual for an unconnected party to make that offer to a bidder. The whole process was extremely unsatisfactory."

KPMG stated in an open letter responding to questions posed of it that it had been appointed as administrator by the solicitor for Astor, Mark Taylor, who is also a director of Leeds United 2007. Redbus believes, though, that despite the waiver offered by Astor, theirs was ultimately the biggest offer KPMG received for Leeds. In its documents the administrator did not account for an additional £8m that would have been paid by Redbus-Morris in the event of the transfer of the "golden share" from the Football League which would allow the newly owned Leeds United to kick off the new season. KPMG justified this by saying that "the additional £8m was to be used to settle 'football creditors'." It added: "It is a condition of the league that such football creditors are paid in full in the event of agreement to transfer the football share. Therefore, all the offers must satisfy this requirement and make such funds available. Accordingly, even if the above offer had been capable of acceptance, it would not have changed the administrators' decision to sell to [Bates]."

However, Dorrell claimed last night that there had been no such provisos set on the £8m payment. "The only condition we put down on our £11.501m bid was that £8m of it would be paid upon transfer of the Football League and [Football] Association shares," he said. "There was no condition whatever of where that £8m would be paid: to the Football League, football creditors or other such." The administration has cost £885,000 in professional and legal fees, although KPMG refused to disclose how much of this it received.

The Redbus website features the Guardian report from 28 August 2007

Monday, 6 August 2007

HMRC warn that they will not drop their legal action against the club. A hearing has been set for Leeds County Court on September 4.

Thursday, 9 August 2007

The chairmen of the other 71 Football League clubs vote "overwhelmingly" to sanction Leeds and then again to uphold the original punishment. In both cases, the outcome was higher than a 75% majority vote.

Thursday, 30 August 2007

HMRC withdraw their challenge to the Bates deal. However, they will continue to take all possible steps to secure a "fair return" on the £7.7m owed.

Friday, 7 September 2007

The FA announces that it has withdrawn full membership from United as the new company running the club had not satisfied non-football creditors in accordance with FA Rules. United are still able to play football in all competitions, including the FA Cup, but until the membership is transferred will be unable to vote at any general meetings of the FA or receive FA Cup final tickets.

Monday, 24 September 2007

United confirm they wrote to the FA last month requesting a review of the case after insisting United's appeal should have been heard by an independent panel. United's penalty is expected to be discussed at an FA board meeting today.

Thursday, 27 September 2007

United are informed by the FA that they do not believe it appropriate for there to be any further inquiry into the decision and the process adopted by the Football League.

Friday, 23 November 2007

United issue the following statement: "In September, the club invited the FA to set up an independent commission to investigate the legality of the 15-point sanction imposed by the Football League. The FA rejected that request, so the following month we wrote to the chairman drawing his attention to what we perceived as inconsistencies in the FA's decision and asked them to look at it again. The reply to the second request was rejected by the FA's director of corporate affairs. This is

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Leeds lose points penalty appeal

Leeds have lost their appeal against a 15-point deduction for the start of the new season following a breach of the Football League's insolvency policy.



Chairman Bates believes Leeds did not break any rules

The chairmen of the other 71 Football League clubs voted "overwhelmingly" to sanction Leeds and then again to uphold the original punishment.

In both cases, the outcome was higher than a 75% majority vote.

Leeds chairman Ken Bates had insisted the League One outfit had not broken any rules.

[Watch](#) News conference: Leeds Utd boss Dennis Wise

However, he has no option other than to accept the punishment, with League chairman Lord Mawhinney confirming the club had no right to take legal action.

Lord Mawhinney said: "We have an agreement with Leeds, signed by both the League and the club, that they will not take any legal action against us and we will not take any legal action against them."

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the same person who rejected the original request. In effect, the same individual confirmed his own earlier decision. There was no independent review. Given the approach of the FA to date, the club have severe reservations regarding its impartiality."

Tuesday, 27 November 2007

FA officials confirm they will not initiate an independent investigation into the 15-point penalty. United in turn announce that the FA's unyielding stance will now force them to begin arbitration proceedings against the governing body.

Wednesday, 28 November 2007

United confirm that they have written to the FA inviting them to waive their right that the dispute should be determined through their arbitration procedures and allow the matter to be referred directly to the High Court for a Judicial Review. If they refuse this request United will commence independent arbitration proceedings in accordance with FA regulations.

Monday, 3 December 2007

United statement: "We will commence independent arbitration proceedings in accordance with FA regulations. An arbitration panel would consist of three members, one nominated by Leeds United, one by the FA, and an independent chairman, from a legal background, who would be approved by both parties."

Wednesday, 19 December 2007

United write to the FA to request that the matter now be referred to an Independent Arbitration Tribunal. They also request the hearing take place in public rather than in private as would usually happen.

Monday, 11 February 2008

United lodge a challenge in the High Court over the Football League's right to deduct the club 15 points for breaking its insolvency rules.

Thursday, 21 February 2008

The Football League are set next Tuesday as the deadline for their first response to Leeds United's High Court writ.

Tuesday, 26 February 2008

The Football League invite United to arbitration rather than a High Court case.

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Leeds continue points loss fight

Leeds United have continued their fight against the 15-point penalty imposed on them by the Football League in August.

The club have written to the FA to request that the matter now be referred to an Independent Arbitration Tribunal.

Under this provision a three-man panel is commissioned. The club and the FA both nominate one member each and the chairman is independent.

Leeds have also requested the hearing take place in public rather than in private as would usually happen.

The points deduction was imposed on 4 August, the same day that Leeds were granted their 'golden share', which allowed them to compete in the Football League this season.

The share had been suspended when Leeds went into administration at the end of last season, a decision that automatically incurred a 10-point penalty and sealed their relegation from the Championship.

The League want clubs coming out of administration to do so via a company voluntary arrangement (CVA), with football creditors paid in full.

BBC website – 19 December 2007

Friday, 29 February 2008

United agree, under protest, to the Football League's decision of a private arbitration.

Wednesday, 5 March 2008

United and the Football League agree that the independent review of the 15-point penalty will be heard during the week commencing April 14. The independent tribunal will be chaired by a Court of Appeal judge.

Thursday, 3 April 2008

It is announced that Sir Philip Otton, a retired High Court judge, will chair the arbitration tribunal. He will be joined on the panel by former Premier League chief executive Peter Leaver and experienced lawyer Peter Cadman.

Saturday, 12 April 2008

A start date of April 16 is agreed for the independent review. The hearing could last for up to three days and the tribunal's ruling is expected to be made public before United's League One fixture at Millwall on April 19, the club's third last game of the season.

Friday, 18 April 2008

It is reported that the arbitration hearing is set to run into a fourth day amid growing concerns that the dispute will throw the end of the League One season into chaos. The independent review was originally planned to end today but the case is now expected to conclude when final submissions are presented to the three-man tribunal panel in London on Monday. But confusion surrounds the timing of a decision on whether the Football League acted outside their jurisdiction by deducting points from Leeds, with the office of panel chairman Sir Philip Otton confirming that a verdict will be returned "within three to four weeks".

Thursday, 1 May 2008

It is announced that United's appeal against the 15-points penalty has been unsuccessful.



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Page last updated at 16:08 GMT, Thursday, 1 May 2008 17:08 UK

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Leeds points appeal unsuccessful

Leeds United have failed in their bid to claim back the 15 points they were deducted by the Football League.

The decision by the Chartered Institute of Arbitrators means Leeds will not win automatic promotion from League One, though they are in the play-offs.



McAllister's side head for the play-offs after Thursday's verdict

An independent three-man arbitration reached its verdict behind closed doors in London, ruling the League had not acted unfairly when docking the points.

The penalty was a punishment for breaking competition insolvency rules.

Listen Interview: Leeds striker Dougie Freedman's reaction

Leeds had already been docked 10 points for entering administration at the end of last season, while still in the Championship - although they were virtually guaranteed to be relegated anyway by then.

The Yorkshire club felt the additional penalty during the current campaign had been unduly harsh.

BBC website – 19 December 2007