

2.24B

The Insolvency (Northern
Ireland) Order 1989

Administrator's progress report

| | |
|--|------------------------------------|
| Name of Company McCrory Scaffolding (NI) Limited | Company number NI029824 |
| In the High Court of Justice Northern Ireland Chancery Division (Company Insolvency) | Court case number 13817 of 2014 |

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

I (a)
Melanie Reevel Giles
PJG Recovery (NI) Limited
9 Gibson's Lane
Newtownards
Co Down
BT23 4LJ

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

(b) Insert date

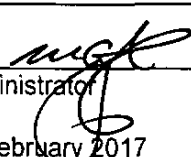
From

(b) 31 July 2016

To

(b) 30 January 2017

Signed


Administrator

Dated

24 February 2017

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.

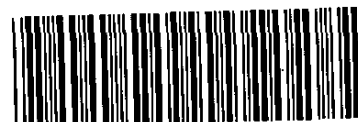
The contact information that you give will be visible to searchers of the public record

PJG Recovery (NI) Limited
9 Gibson's Lane
Newtownards
Co Down
BT23 4LJ

Tel 028 9181 4890

Companies House receipt date barcode

When you have completed and signed this form, please send it to the Registrar of Companies at The Companies Registry for Northern Ireland



24 February 2017

9 Gibsons Lane
Newtownards
Co Down
BT23 4LJ

Tel: 028 9181 4890
028 9182 1740
Fax: 028 9181 4875
www.pjgrecovery.com

TO ALL KNOWN CREDITORS

Dear Sirs,

**McCrory Scaffolding (NI) Limited – In Administration (“the Company”)
In The High Court of Justice in Northern Ireland Chancery Division Number 13817 of 2014
Sixth Progress Report to Creditors – 6 months to 30 January 2017**

Introduction

This progress report seeks to provide all known creditors with an update of events pertaining to the administration since the last report was issued on 30 August 2016, and is issued pursuant to Rule 2.048 of the Insolvency (Amendment) Rules (Northern Ireland) 2006.

The following documents are also required and enclosed:-

- Form 2.24B;
- A receipts and payments account for the period ended 30 January 2017;
- An analysis of our time costs to 30 January 2017 as required by Statement of Insolvency Practice 9;
- PJG Recovery (NI) Limited's current charge our rates including details of Category 1 and 2 disbursements; and
- Proof of debt form

In accordance with provisions contained within the Insolvency (Northern Ireland) Order 1989, the Administration was due to automatically end on 31 January 2017 however it was clear that the purpose of the Administration, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were to be wound up (without first being in Administration), would not be completed within this timeframe. As such I applied to Court and was subsequently granted an extension of 18 months to 31 July 2018.

Statutory and other information

The Company's statutory details are as follows:

| | |
|--------------------------|--|
| Registered number | NI029824 |
| Date of incorporation | 2 August 1995 |
| Registered office | c/o PJG Recovery (NI) Limited, 9 Gibson's Lane, Newtownards, Co Down, BT23 4LJ |
| Authorised share capital | 250,000 ordinary £1 shares |

Directors

John McCrory (& Company Secretary)
Angela McCrory (resigned 6 August 2013)

Stephen McCrory (resigned 6 August 2013)
Nicola McCrory
Patrick McCrory (resigned 6 August 2013)

Shareholding

4,484 ordinary £1 shares
1 ordinary £1 share &
20 Class A ordinary £1 shares
25 Class A ordinary £1 shares
10 Class A ordinary £1 shares
10 Class A ordinary £1 shares

The Administration constitutes "main proceedings" under the EC Regulation on Insolvency Proceedings as the Company's centre of main interests and registered office are in Northern Ireland.

Progress of the Administration

Assets subject to fixed charges

Freehold property (Draft Statement of Affairs value = £276,970)

As previously reported Danske Bank was secured by fixed charges over two freehold properties at 48 & 50 Windsor Avenue, Lurgan. I understand that both properties have been sold by the Bank in its capacity as mortgagee in possession.

Despite my requests, Danske Bank have not yet provided me with a final proof of debt form however the Bank's ultimate and aggregate shortfall will rank as an unsecured creditor claim in the Administration and is currently estimated at £1,800,000.

Uncharged assets

Other amounts due (Draft Statement of Affairs book value = £393,805)

I have been engaging with the Directors with respect to agreeing a repayment plan for their outstanding Directors' loan accounts. This is the last main unrealised asset in the Administration. The Directors have been reluctant to come to any form of repayment arrangement with regard to their respective loan balances, until such times as their exposure to Danske Bank under personal

guarantees has been quantified. I understand that legal action between Danske Bank and the Directors in relation to the personal guarantees had been listed for hearing in early November 2016 however this date was vacated and no new date has been confirmed to me.

Although the repayment of the Directors' loan accounts is a separate matter to the legal action ongoing with Danske Bank, the ability to repay the Directors' loan accounts may be impacted if the personal guarantees are deemed to be valid. I continue to liaise with the Directors and hope to be able to reach a settlement in due course.

Liabilities

Preferential creditors

Preferential creditor claims have not yet been agreed as a dividend will be dependent upon the ultimate asset realisations in the case.

Floating charge creditor/prescribed part

Prior to Administration, the Company and its Directors understood that the Bank's indebtedness was secured by a floating charge.

The floating charge referred to above was dated 28 August 2002 and initially registered against a company named McCrory Scaffolding (NI) Limited, however following a change of name resolution filed at Companies House on 14 September 2007 this company is now known as McCrory Properties Limited. As such no floating charge is registered against this Company in Administration.

Consequently, there will not be a "prescribed part" applicable to the Administration as there are no floating charges registered against the Company.

Unsecured creditors

A dividend to unsecured creditors will be dependent upon the ultimate asset realisations in the case and in particular, the recoverability of the Directors' loan accounts noted above.

Statement of Affairs

In accordance with paragraph 48 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989 the Directors have been requested to provide a Statement of Affairs for the Company but have not complied with this requirement to date.

Remuneration and disbursements

Remuneration

In accordance with the resolutions passed at the creditors meeting held on 11 April 2014, the basis of the Joint Administrator's remuneration was fixed under Rule 2.107 of the Insolvency Rules (Northern Ireland) 1991 by reference to the time properly given by the Joint Administrators and

their staff in attending to matters arising in the Administration at PJG Recovery (NI) Limited's standard charge-out rates.

I summarise on the attached schedule details of the hours spent on various tasks undertaken during the Administration to 30 January 2017. The main areas of work during the reporting period have been as follows:

- The reconciliation of the Directors' loan accounts and asset movements including correspondence with the Directors and the Company's former accountants;
- Communication with Danske Bank regarding the Administration and their shortfall;
- Dealing with correspondence and queries from unsecured creditors;
- Obtaining an extension to the Administration from the Court and
- Post appointment tax matters and compliance with both statutory matters and the firm's internal procedures.

A total of 1,280 hours has been spent at an average rate of c.£193 per hour totalling £247,469. Administrator's remuneration in the sum of £243,575 has been drawn to date in accordance with the attached receipts and payments account. Background information to help creditors understand the law and their rights in relation to determining how the Administrators will be paid is available at <http://www.insolvency-practitioners.org.uk> (navigate via "Regulation and Guidance" to "Creditors Guide to Fees").

Disbursements

In accordance with the resolutions passed at the meeting of creditors held on 11 April 2014, it was agreed that disbursements for services provided by our Firm (defined as category 2 disbursements in Statement of Insolvency Practice 9) be charged in accordance with our firms policy, details of which are set out in PJG Recovery (NI) Limited's current charge-out rates. No Category 2 disbursements have been charged to date.

Exit from Administration

As set out in the Statement of Proposals approved at the creditors meeting held on 11 April 2014, it is envisaged that the Administration will end by the Company being placed into Creditors Voluntary Liquidation ("CVL") or, if there are no monies available for unsecured creditors, by dissolution of the Company.

Yours faithfully



Melanie R Giles
Administrator

McCrary Scaffolding (NI) Limited
(In Administration)
Administrator's Abstract of Receipts & Payments

| Statement of Affairs | From 31/07/2016 To 30/01/2017 | From 31/01/2014 To 30/01/2017 |
|--|----------------------------------|----------------------------------|
| SECURED ASSETS | | |
| 275,000.00 Freehold properties | NIL | NIL |
| (1,872,495.00) Danske Bank Limited | NIL | NIL |
| 230,237.00 Book debts | NIL | NIL |
| (230,237.00) Danske Bank Limited | NIL | NIL |
| | <u>NIL</u> | <u>NIL</u> |
| ASSET REALISATIONS | | |
| 344,764.00 Other Amounts Due | NIL | 72.46 |
| 14,500.00 Cash at Bank | NIL | 14,500.00 |
| Rates Refund | NIL | 1,201.51 |
| 326,561.00 Plant, Machinery & Stock | NIL | 341,560.70 |
| 6,700.00 Motor Vehicles | NIL | 6,700.00 |
| Sundry Refund | NIL | 280.00 |
| | <u>NIL</u> | <u>364,314.67</u> |
| COST OF REALISATIONS | | |
| Specific Bond | 163.20 | 583.20 |
| Pre-administration fee | NIL | 15,000.00 |
| Office Holders Fees | 10,626.00 | 243,575.25 |
| Office Holders Expenses | NIL | 1,163.97 |
| Accountants Fees | NIL | 3,770.00 |
| Agents/Valuers Fees (1) | NIL | 40,226.07 |
| Quantity Surveyors Fees | NIL | 4,289.00 |
| Legal Fees (1) | NIL | 5,825.00 |
| Security | NIL | 7,092.00 |
| Labour | NIL | 7,147.94 |
| Stationery & Postage | 185.75 | 1,402.04 |
| Redirection of Mail | NIL | 120.00 |
| Storage Costs | NIL | 350.00 |
| Company Search | NIL | 31.00 |
| Statutory Advertising | NIL | 397.50 |
| IT Costs | 16.50 | 50.34 |
| HP Settlement | NIL | 4,741.28 |
| Equipment Hire | NIL | 948.00 |
| Insurance of Assets | NIL | 636.45 |
| Wages & Salaries | NIL | 3,779.86 |
| Bank Charges | NIL | 40.00 |
| | <u>(10,991.45)</u> | <u>(341,168.90)</u> |
| PREFERENTIAL CREDITORS | | |
| (47,342.00) Preferential Wages & Holiday Pay | NIL | NIL |
| | <u>NIL</u> | <u>NIL</u> |
| UNSECURED CREDITORS | | |
| (758,521.29) Trade & Expense Creditors | NIL | NIL |
| (220,249.00) Redundancy, Wages & PILN | NIL | NIL |
| (157,434.62) CVA Employee Claims | NIL | NIL |
| (1,154,833.28) HM Revenue & Customs - PAYE | NIL | NIL |
| (294,350.10) Republic of Ireland Taxes | NIL | NIL |
| (567,359.90) HM Revenue & Customs - VAT | NIL | NIL |
| | <u>NIL</u> | <u>NIL</u> |

**McCrory Scaffolding (NI) Limited
(In Administration)
Administrator's Abstract of Receipts & Payments**

| Statement of Affairs | | From 31/07/2016 To 30/01/2017 | From 31/01/2014 To 30/01/2017 |
|-------------------------|----------------------------------|----------------------------------|----------------------------------|
| | DISTRIBUTIONS | | |
| (4,550.00) | Ordinary Shareholders | <u>NIL</u> | <u>NIL</u> |
| | | NIL | NIL |
| | | | |
| <u>(4,109,610.19)</u> | | <u>(10,991.45)</u> | <u>23,145.77</u> |
| | REPRESENTED BY | | |
| | Vat Receivable | | 66,216.66 |
| | Interest Bearing Current Account | | 23,145.77 |
| | Vat Payable | | (57,284.78) |
| | Vat Control Account | | (8,931.88) |
| | | | <u>23,145.77</u> |

PJG Recovery Ltd**TIME & CHARGEOUT SUMMARIES**

McCrory Scaffolding (NI) Limited - Post Admin

To 30/01/2017

HOURS

| Classification Of work Function | Partner | Manager | Other Senior Professional | Assistants & Support Staff | Total Hours | Time Cost £ | Average Hourly Rate £ |
|---------------------------------|-----------|-----------|---------------------------|----------------------------|-------------|-------------|-----------------------|
| Administration & Planning | 132.80 | 40.90 | 212.15 | 105.50 | 491.35 | 98,113.75 | 199.68 |
| Investigations | 28.60 | 21.00 | 60.00 | 18.05 | 127.65 | 24,927.00 | 195.28 |
| Realisation of Assets | 71.60 | 44.10 | 108.35 | 23.20 | 247.25 | 55,097.50 | 222.84 |
| Trading | 0.00 | 14.50 | 1.00 | 0.00 | 15.50 | 3,805.00 | 245.48 |
| Creditors | 44.00 | 17.90 | 166.50 | 167.50 | 395.90 | 64,713.50 | 163.46 |
| Special | 0.00 | 0.00 | 2.50 | 0.00 | 2.50 | 812.50 | 325.00 |
| Total Fees Claimed £ | 86,725.00 | 31,278.00 | 91,038.00 | 38,428.25 | | 247,469.25 | |
| Total Hours | 277.00 | 138.40 | 550.50 | 314.25 | 1,280.15 | | |
| Average Rate | 313.09 | 226.00 | 165.37 | 122.29 | | | |

STANDARD CHARGE OUT RATES

1 May 2016 – 30 April 2017

Time costs

All partners and staff are charged out at standard hourly rates appropriate to their grade as follows, and time is recorded in 6 minute units. Our fees do increase from time to time, and updates will be issued to creditors in future statutory reports.

| | £ |
|----------------------------------|-----|
| Insolvency Practitioner/Director | 330 |
| Senior Manager | 240 |
| Manager | 180 |
| Supervisor | 150 |
| Case Administrator | 120 |
| Support staff | 80 |

Disbursements

Category 1 costs – (Approval not required from creditors)

- Out of pocket expenses are charged at cost.
- Postage is charged at the prevailing rate for either first or second class (this is not charged for routine day to day correspondence).
- Case specific management system licence fee is charged at the rate advised annually by the software provider, currently estimated at £15 per annum.

Category 2 costs – (Approval required from creditors)

- Where a room is booked at a PJG Recovery office for a meeting of creditors or of a creditors' committee, a charge of £50 is paid.
- Mileage is charged out at standard rates that comply with H M Revenue and Customs limits, or AA recommended rates.
- The costs of printing and stationery relating to initial, interim and final reports is charged at the rate of 4p per sheet. No charges are made for routine day-to day correspondence.

VAT is added to disbursement charges as necessary.

NB: In the case of Company Voluntary Arrangements or Individual Voluntary Arrangements, acceptance of the arrangement will deem to be acceptance to the above charging policy

PROOF OF DEBT

McCrory Scaffolding (NI) Limited – In Administration

Date of appointment of Joint Administrators 31 January 2014

| | | |
|----|---|---|
| 1 | Name of Creditor | |
| 2 | Address of Creditor | |
| 3 | Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest | £ |
| 4 | Details of any documentation by reference to which debt can be substantiated. | |
| 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 Article 346 of, and Schedule 4 to, the Insolvency (Northern Ireland) Order 1989 (as read with Schedule 4 to the Social Security Pensions Northern Ireland) Order 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 | <u>Signature of creditor or person authorised to act on his behalf</u> <u>Name in BLOCK LETTERS</u> <u>Position with or relation to creditor</u> | |