

**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 2017	To  (b) 30 January 2018
------------------------------	-------------------------------

Signed

  
 Administrator

Dated

28 February 2018

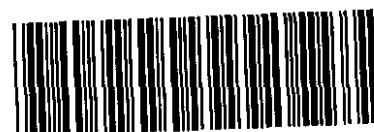
**Contact Details:**

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

FRIDAY



\*J70VXXU0\*  
JNI 02/03/2018 #85  
COMPANIES HOUSE

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

28 February 2018

9 Gibsons Lane  
Newtownards  
Co Down  
BT23 4LJ

Tel: 028 9181 4890  
028 9182 1740  
Fax: 028 9181 4875  
[www.pjgrecovery.com](http://www.pjgrecovery.com)

**TO ALL KNOWN CREDITORS  
8th PROGRESS REPORT**

Dear Sirs

**McCrory Scaffolding (NI) Limited – (In Administration)  
High Court of Justice in Northern Ireland Chancery Division Number 13817 of 2014**

This is my report on the progress of the Administration of the Company for the six month period from 31 July 2017 to 30 January 2018. The report should be read in conjunction with my previous reports.

The following documents are also required and enclosed:-

- Form 2.24B
- A receipts and payments account for the period ended 30 January 2018
- An analysis of this firm's time costs to 30 January 2018 as required by Statement of Insolvency Practice 9
- A Creditors Guide to Administrators' Fees – Northern Ireland
- Practice Fee Recovery Policy for PJG Recovery (NI) Limited
- Provision of Services Regulations Summary Sheet for PJG Recovery (NI) Limited

If creditors have any queries regarding the conduct of the Administration they should contact me on 02920-346530 or via e-mail at [melaniegiles@pjgrecovery.com](mailto:melaniegiles@pjgrecovery.com).

Yours faithfully



Melanie R Giles  
Administrator

# 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 2017

To
(b) 30 January 2018

Signed

  
Administrator

Dated

28 February 2018

### 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

**MCCRORY SCAFFOLDING (NI) LIMITED – IN ADMINISTRATION (“THE COMPANY”)  
HIGH COURT OF JUSTICE IN NORTHERN IRELAND CHANCERY DIVISION NUMBER 13817 OF 2014**

**ADMINISTRATOR’S 8th PROGRESS REPORT TO CREDITORS  
For the six months ending 31 January 2018**

**EXECUTIVE SUMMARY**

I was appointed Administrator of the Company on 11 December 2015 by Court Order, following the resignation of the previous office holders who had been appointed on 31 January 2014. This report, together with the following attached appendices, provides Creditors with details of my progress with the Administration of the Company to date.

Since I last reported to creditors, the legal proceedings between Danske Bank (“the bank”) and John McCrory, and the collection of outstanding directors’ loans have been settled by way of a confidential tripartite agreement. The only matter which now prevents the closure of this case, is a personal injury claim brought against the company relating to an incident which occurred prior to Administration.

On 19 January 2017, I applied to the High Court of Justice in Northern Ireland for an extension of the Administration, to enable the ongoing realisation of assets and agreement of creditor claims to be achieved. A Court Order was made on 26 January 2017, which extended the Administration of the Company for a period of 18 months, such that the administration will now automatically end on 31 July 2018, unless I am able to effect closure at an earlier juncture.

**STATUTORY INFORMATION**

The Company’s statutory details are as follows:

Company Name:	McCrory Scaffolding (NI) Limited
Court Name and Reference:	High Court of Justice in Northern Ireland No 13817 of 2014
Registered number:	NI0129824
Date of incorporation:	2 August 1995
Registered office:	9 Gibson’s Lane, Newtownards, Co Down, BT23 4LJ
Authorised share capital:	250,000 ordinary £1 shares
Issued share capital:	4,485 ordinary £1 shares 65 Class A ordinary £1 shares
Shareholders:	John McCrory – 4,484 ordinary £1 shares Angela McCrory – 1 ordinary £1 shares Angela McCrory – 20 Class A Ordinary £1 Shares Stephen McCrory – 25 Class A Ordinary £1 Shares Nicola McCrory – 10 Class A Ordinary £1 Shares

Patrick McCrory – 10 Class A £1 Ordinary Shares

Directors: John McCrory  
Angela McCrory (resigned 6 August 2013)  
Nicola McCrory  
Patrick McCrory (resigned 6 August 2013)  
Stephen McCrory (resigned 6 August 2013)

(NB – Stephen McCrory has advised that the records relating to his directorship filed at Companies House are incorrect – in that he resigned in August 2011)

Administrator's Name: Melanie Reevel Giles

Joint Administrators' Address: PJG Recovery (NI) Limited, 9 Gibson's Lane, Newtownards, BT23 4LJ

Date of Administration: 31 January 2014

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.

#### **ADMINISTRATOR'S ACTIONS SINCE LAST PROGRESS REPORT**

Since I last reported to creditors, a confidential tripartite settlement has been effected with the bank, and John, Stephen and Nicola McCrory with regard to their respective claims and counter claims, which includes the recovery of outstanding directors' loans.

As Administrator of the company, I have unfortunately been named as a party to a personal injury action against the company, relating to an incident which occurred prior to my appointment. The claimant's solicitors in the Irish Republic are refusing to accept that I should not be joined into those proceedings, and this has led to me requiring to appoint solicitors to represent me. These actions have led to increased and ongoing unnecessary costs. I am hopeful that this matter can be resolved very quickly, as it is the only matter which prevents me from now concluding the administration.

#### **RECEIPTS AND PAYMENTS ACCOUNT**

My Receipts and Payments Account for the period from 31 January 2014 to 30 January 2018, which separately lists those movements in the period from 31 July 2017 to 30 January 2018, is attached as Appendix 1. The Statement of Affairs figures included on the account represent estimated figures provided at the outset of the administration by my predecessors, as no actual Statement of Affairs has been provided by the directors.

At 30 January 2018 I was holding the sum of £29,551 on a non-interest bearing estate bank account, with the sum of £3,010 being due from a repayment of VAT.

## **PROGRESS OF THE ADMINISTRATION**

### **ASSETS**

#### ***Assets subject to fixed charges***

##### **Freehold property and Book Debtors**

As previously reported, the 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.

The bank also had the benefit of a Confidential Invoice Discounting Agreement with the company. At the reporting date, the bank had not submitted a final unsecured claim in this matter.

#### ***Assets not subject to a fixed charge***

##### **Cash at Bank**

The sum of £14,500 was received from a credit balance held with the company's pre-appointment bankers.

##### **Plant, Machinery & Stock**

These assets were sold by my predecessors for a total consideration of £341,561.

##### **Motor Vehicles**

These assets were sold by my predecessors for a total consideration of £6,700.

##### **Other Monies Received**

An aggregate sum of £1,860 has been received from sundry items and refunds due to the company.

##### **Directors' Loan Accounts**

In November 2017, following a period of ongoing negotiation with both the bank and the directors' lawyers, an aggregate payment of £25,375 was accepted in full and final settlement of the outstanding directors' loans. The terms of the settlement remain confidential between the parties to the agreement, however I can confirm that the following matters were taken into consideration in pre-determining the merits of the settlement:-

- The quantum of the loan accounts has always been disputed by the directors
- There was insufficient funding, and inadequate accounting records, within the company to cover the extensive investigations required to confirm the exact loan position

- Personal statements of means were provided by each director to demonstrate their net worth
- The downside of expensive and potentially hostile litigation, with no clear benefit to creditors

## **LIABILITIES**

### ***Secured Creditor***

The Company had granted fixed charges to the bank on 11 March 2008, relating to securities held over 48 & 50 Windsor Avenue, Lurgan. These properties have now been sold, and I understand that there was a resultant shortfall – however this has not been quantified by the bank.

In addition, the bank also held security over the company's book debtors under a Confidential Invoice Discounting Agreement which I understand was entered into in August 2013. I am not aware of the current position regarding book debt collections, but do not expect there to be any surplus available to the company from this source.

The bank has also received a direct financial settlement from John McCrory under the terms of the confidential tripartite agreement.

### ***Preferential creditors***

The sum of £10,283 has been claimed as preferential by the Department of Employment & Learning in Northern Ireland, relating to payments made to former employees of the company following their redundancy.

In addition, a claim for €85,806 was paid by the Department of Social Protection in the Irish Republic to the Construction Workers' Pension Scheme, relating to unpaid pension contributions relating to employees and the company as employer. This matter was only finalised in 2017, and my solicitors have confirmed that this debt also carries preferential status cross-border. The Department of Social Protection had also submitted an earlier preferential claim in the sum of €38,904.

My last report recorded there being no claims from preferential creditors. This was a drafting error, and I apologise for any inconvenience this may have caused.

### ***Crown Creditors***

Claims totalling £1,154,833 for outstanding taxes, and £567,360 have been submitted by H M Revenue & Customs. I have also received a claim for £189,439 from the Department for Employment and Learning, relating to sums paid to former employees of the company which are deemed to have unsecured status in Northern Ireland, and £25,201 from the Redundancy Payments Office in England relating to English employees.

### ***Unsecured creditors***

As we have not received a Statement of Affairs from the directors, we have had to rely on the

books and records of the company, along with information provided by creditors, to report on balances due. To date, we have received claims from 50 creditors at a total of £2,553,284.

## **DIVIDEND PROSPECTS**

### ***Secured Creditor***

The bank has been partially repaid from the realisation of the freehold properties, the collection of book debtors and the settlement effected by the guarantor.

### ***Preferential Creditors***

It may be possible for a small distribution to be made to preferential creditors, however this can only be determined once the outcome of the ongoing personal injury litigation is settled, which continues to incur costs – albeit attempts are being made to keep these to the absolute minimum.

### ***Unsecured Creditors***

There will be no funds available to effect any form of distribution to unsecured creditors.

## **INVESTIGATION INTO THE AFFAIRS OF THE COMPANY**

My predecessors undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. Specifically, they recovered, listed and reviewed the Company's accounting records, and liaised with the former auditors.

Within six months of their appointment as Joint Administrators, my predecessors were required to submit a confidential report to the Insolvency Service to include any matters which had come to their attention during the course of their work, which may indicate that the conduct of any past or present Director would make them unfit to be concerned with the management of the Company. I would confirm that their report had been submitted prior to my own appointment.

The directors have not complied with their responsibility to provide us with a Statement of Affairs, in accordance with Article 34 of the Insolvency (Northern Ireland) Order 1989.

## **PRE-ADMINISTRATION COSTS**

The pre-Administration costs of PJG Recovery (NI) Limited were agreed to be paid at £15,000 plus VAT. Pursuant to Rule 2.67A of the Insolvency Rules (Northern Ireland) 1991, approval to pay these costs as an expense of the Administration was received by way of a resolution of creditors on 11 April 2014, and these costs have now been paid.

## **ADMINISTRATORS' REMUNERATION**

The Administrator's remuneration was previously authorised by a meeting of creditors held on 11 April 2014 to be drawn on a time cost basis. My total time costs to 30 January 2018 amount to

£264,614 representing 1,350 of hours work at a blended charge out rate of £196 per hour, of which £12,141 was charged in the period since 31 January 2017 at a blended charge out rate of £216 per hour. No fees have been drawn in this reporting period, with £243,575 having been drawn on account at that time.

I summarise on the attached schedules at Appendix 2 further details of the hours spent on various tasks undertaken during the Administration to 30 July 2017, and that charged since 31 January 2017. In the current reporting period, the main areas of our work are detailed below. Creditors are reminded that there is certain work that we are required to carry out in connection with the Administration, that provides no financial benefit for them, but is nevertheless necessary due to statute or my profession's best practice standards.

### 1. Administration

- Dealing with all routine correspondence and emails relating to the case.
- Maintaining and managing the office holder's estate bank account.
- Maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Reviewing the adequacy of the specific penalty bond on a monthly basis.
- Undertaking periodic reviews of the progress of the case.
- Preparing, reviewing and issuing the seventh six-monthly progress report to creditors and members.
- Filing the six-monthly return at Companies House.
- Preparing and filing quarterly VAT returns.

### 2. Creditors

- Liaising with the Department of Social Protection with regard to pension payments
- Defending the specific personal injury claim where it has proven necessary
- Ascertaining the preferential status of the claim from the Department of Social Protection

### 3. Asset Realisation

- Negotiating and effecting the confidential tripartite agreement
- Assisting the bank with ongoing book debt collections

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorsinsolvencyguide.co.uk/>. A copy of an extract from Statement of Insolvency Practice 9 (Northern Ireland) – Remuneration of Insolvency Office Holders is enclosed – (creditors should read from Rule 2.107(1) to rule 2.110 (6)) is further enclosed.

In common with all professional firms, our scale rates increase from time to time and a copy of PJG Recovery (NI) Limited's current charge-out rates is attached. Our rates are unchanged from the previous year. An unsecured creditor may, with the concurrence of at least 25% in value of the creditors (including the creditor in question – apply to the Court for an order that the Joint

Administrators' remuneration be reduced, on the grounds that it is, in all the circumstances, excessive.

## **ADMINISTRATOR'S EXPENSES**

The respective Administrators have incurred total expenses of £97,695 since their appointment as detailed at Appendix 1. In the present reporting period, I have incurred the following expenses:-

- Legal Fees of £15,058 payable to A&L Goodbody for their assistance in negotiating and executing the confidential tripartite agreement
- Postage costs of £172 relating to the cost of issuing the seventh annual report
- IT costs of £25 relating to the use of the firm's case management system for 12 months

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 firm's policy, details of which are set out in PJG Recovery Limited's current charge-out rates. No category 2 charges have been drawn to date.

## **COSTS INCURRED BY EXTERNAL ADVISORS**

I have used the following agents or professional advisors in the reporting period, and incurred the costs detailed above:-

A & L Goodbody – Solicitors

Fee basis – time cost

The choice of professionals used was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of the case.

## **SUMMARY**

The Administration will remain open until either the personal injury claim has been settled or I am released from that action. I estimate that this will take approximately 6 months and once these matters have been finalised an application for dissolution will be submitted to the Registrar of Companies once all funds held have been distributed.

To comply with the Provision of Services Regulations, some general information about PJG Recovery (NI) Limited can be found in the attached summary sheet.

If creditors have any queries regarding the conduct of the Administration, they should contact me on 02920-346530 or via e-mail at [melaniegiles@pjgrecovery.com](mailto:melaniegiles@pjgrecovery.com).



Melanie R. Giles  
Joint Administrator  
28 February 2018

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

Statement of Affairs £		From 31/07/2017 To 30/01/2018 £	From 31/01/2014 To 30/01/2018 £
	<b>SECURED ASSETS</b>		
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>
	<b>ASSET REALISATIONS</b>		
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
	Director's Loan Accounts	25,375.00	25,375.00
	Uncleared Dividend from CVA	NIL	305.97
	Sundry Refund	NIL	280.00
		<u>25,375.00</u>	<u>389,995.64</u>
	<b>COST OF REALISATIONS</b>		
	Specific Bond	NIL	583.20
	Pre-administration fee	NIL	15,000.00
	Office Holders Fees	NIL	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)	15,058.00	21,893.00
	Security	NIL	7,092.00
	Labour	NIL	7,147.94
	Stationery & Postage	172.55	1,574.59
	Redirection of Mail	NIL	120.00
	Storage Costs	NIL	350.00
	Company Search	NIL	31.00
	Statutory Advertising	NIL	397.50
	IT Costs	24.88	75.22
	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>(15,255.43)</u>	<u>(357,434.33)</u>
	<b>PREFERENTIAL CREDITORS</b>		
(47,342.00)	Preferential Wages & Holiday Pay	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	<b>UNSECURED CREDITORS</b>		
(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

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

Statement of Affairs £		From 31/07/2017 To 30/01/2018 £	From 31/01/2014 To 30/01/2018 £
(567,359.90)	HM Revenue & Customs - VAT	NIL NIL	NIL NIL
(4,550.00)	DISTRIBUTIONS Ordinary Shareholders	NIL NIL	NIL NIL
<b>(4,109,610.19)</b>		<b>10,119.57</b>	<b>32,561.31</b>
	REPRESENTED BY		
	Vat Receivable		69,436.14
	Current Account		29,551.31
	Vat Payable		(57,284.78)
	Vat Control Account		(9,141.36)
			<b>32,561.31</b>

McCrory Scaffolding (NI) Limited  
Detailed time summary  
Period : 31 January 2014 to 30 January 2018

	IP Hours	Manager Hours	Assistants & Support Staff Hours	Total Hours	IP £	Manager £	Assistants & Support Staff £	Total £
<b>Administration and Planning</b>								
Accounting	5.1	1.6	26.6	33.3	1,760.00	360.00	3,136.75	5,256.75
General Administration	33.8	11.3	109.8	154.9	11,024.00	2,205.00	14,251.00	27,480.00
Bordereau	1.6	1.0		2.6	520.00	240.00		760.00
Case Planning	13.7	2.2	33.7	49.6	4,482.00	528.00	4,900.50	9,910.50
Face to Face meetings	11.4	29.5	3.7	44.6	3,711.00	7,080.00	444.00	11,235.00
File Reviews	19.8	4.0	9.3	33.1	6,519.00	960.00	1,387.50	8,866.50
IPS/Case Set Up	0.1		3.0	3.1	33.00		360.00	393.00
Meetings with Directors				-				-
Special	3.5	14.5		18.0	1,137.50	3,480.00		4,617.50
Statutory Reporting	50.2	32.7	92.4	175.3	16,396.00	6,588.00	13,527.00	36,511.00
Tax	0.8	0.6	13.2	14.6	262.00	108.00	1,598.00	1,968.00
Tele Meeting	5.8	0.5		6.3	1,904.00	90.00		1,994.00
	<b>145.8</b>	<b>97.9</b>	<b>291.5</b>	<b>535.2</b>	<b>47,748.50</b>	<b>21,639.00</b>	<b>39,604.75</b>	<b>108,992.25</b>
<b>Asset Realisations</b>								
Asset Realisations	62.7	75.5	64.3	202.5	20,612.00	18,198.00	9,301.50	48,111.50
Debt Collection	13.6	3.6	1.5	18.7	4,442.50	639.00	225.00	5,306.50
Plant & Machinery	11.4		6.8	18.2	3,705.00		952.50	4,657.50
Insurance	0.2	2.8	31.3	34.3	66.00	474.00	4,695.00	5,235.00
Pension	0.4		5.2	5.6	130.00		663.00	793.00
	<b>88.3</b>	<b>81.9</b>	<b>109.0</b>	<b>279.2</b>	<b>28,955.50</b>	<b>19,311.00</b>	<b>15,837.00</b>	<b>64,103.50</b>
<b>Investigations</b>								
CDDA Reporting	18.9	26.8	68.9	114.6	6,297.00	5,892.00	10,317.00	22,506.00
General Investigations			1.8	1.8			216.00	216.00
SIP 2 Review	1.7	8.2	3.2	13.1	561.00	1,476.00	384.00	2,421.00
	<b>20.6</b>	<b>35.0</b>	<b>73.9</b>	<b>129.5</b>	<b>6,858.00</b>	<b>7,368.00</b>	<b>10,917.00</b>	<b>25,143.00</b>
<b>Creditors</b>								
Creditor Claims	15.6	1.3	74.4	91.3	5,232.00	270.00	10,127.50	15,629.50
Communication	20.3	10.1	95.8	126.2	6,740.50	2,424.00	13,086.00	22,250.50
Employees	13.6	11.6	163.6	188.8	4,457.00	2,013.00	22,025.50	28,495.50
	<b>49.5</b>	<b>23.0</b>	<b>333.8</b>	<b>406.3</b>	<b>16,429.50</b>	<b>4,707.00</b>	<b>45,239.00</b>	<b>66,375.50</b>
<b>Totals</b>	<b>304.20</b>	<b>237.75</b>	<b>808.10</b>	<b>1,350.05</b>	<b>99,991.50</b>	<b>53,025.00</b>	<b>111,597.75</b>	<b>264,614.25</b>

McCrory Scaffolding (NI) Limited  
Detailed time summary  
Period : 31 July 2017 to 30 January 2018

	IP Hours	Manager Hours	Assistants & Support Staff Hours	Total Hours	IP £	Manager £	Assistants & Support Staff £	Total £
<b>Administration and Planning</b>								
Accounting	0.6	-	1.6	2.2	198.00	-	192.00	390.00
General Administration	0.3	-	14.5	14.8	99.00	-	219.00	318.00
File Reviews	6.6	-	-	6.6	2,178.00	-	-	2,178.00
Statutory Reporting	3.2	-	-	3.2	1,056.00	-	-	1,056.00
Tax	0.2	-	-	0.2	66.00	-	-	66.00
	<b>10.9</b>	<b>-</b>	<b>16.1</b>	<b>27.0</b>	<b>3,597.00</b>	<b>-</b>	<b>411.00</b>	<b>4,008.00</b>
<b>Asset Realisations</b>								
Asset Realisations	13.2	13.8	-	27.0	4,356.00	3,312.00	-	7,668.00
	<b>13.2</b>	<b>13.8</b>	<b>-</b>	<b>27.0</b>	<b>4,356.00</b>	<b>3,312.00</b>	<b>-</b>	<b>7,668.00</b>
<b>Creditors</b>								
Creditor Claims	0.7	-	1.6	2.3	231.00	-	234.00	465.00
	<b>0.7</b>	<b>-</b>	<b>1.6</b>	<b>2.3</b>	<b>231.00</b>	<b>-</b>	<b>234.00</b>	<b>465.00</b>
<b>Totals</b>	<b>24.80</b>	<b>13.80</b>	<b>17.70</b>	<b>56.30</b>	<b>8,184.00</b>	<b>3,312.00</b>	<b>645.00</b>	<b>12,141.00</b>

- 2.51(8)** If the administrator is a solicitor and employs his own firm, or any partner in it, to act on behalf of the company, profit costs shall not be paid unless this is authorised by the creditors' committee, the creditors or the court.

**Rule 2.52 Recourse to meeting of creditors**

- 2.52** If the administrator's remuneration has been fixed by the creditors' committee, and he considers the rate or amount to be insufficient, he may request that it be increased by resolution of the creditors.

**Rule 2.53 Recourse to the court**

- 2.53(1)** If the administrator considers that the remuneration fixed for him by the creditors' committee, or by resolution of the creditors, is insufficient, he may apply to the court for an order increasing its amount or rate.
- 2.53(2)** The administrator shall give at least 14 days' notice of his application to the members of the creditors' committee; and the committee may nominate one or more members to appear or be represented, and to be heard, on the application.
- 2.53(3)** If there is no creditors' committee, the administrator's notice of his application shall be sent to such one or more of the company's creditors as the court may direct, which creditors may nominate one or more of their number to appear or be represented.
- 2.53(4)** The court may, if it appears to be a proper case, order the costs of the administrator's application, including the costs of any member of the creditors' committee appearing or being represented on it, or any creditor so appearing or being represented, to be paid as an expense of the administration.
- 2.54 Creditors' claim that remuneration is excessive**
- 2.54(1)** Any creditor of the company may, with the concurrence of at least 25 per cent. in value of the creditors (including himself), apply to the court for an order that the administrator's remuneration be reduced, on the grounds that it is, in all the circumstances, excessive.
- 2.54(2)** The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application; but it shall not do so unless the applicant has had an opportunity to attend the court for an ex parte hearing, of which he has been given at least 7 days' notice.
- 2.54(3)** If the application is not dismissed under paragraph (2), the court shall fix a venue for it to be heard, and given notice to the applicant accordingly.
- 2.54(4)** The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.
- 2.54(5)** If the court considers the application to be well-founded, it shall make an order fixing the remuneration at a reduced amount or rate.
- 2.54(6)** Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.

**A.1.2 PETITION PRESENTED OR APPOINTMENT MADE ON OR AFTER  
27TH MARCH 2006**

## **STATEMENT OF INSOLVENCY PRACTICE 9 (NI)**

### **Rule 2.17 Fixing of remuneration**

**2.107(1)** The administrator is entitled to receive remuneration for his services as such.

**2.107 (2)** The remuneration shall be fixed either:

- (a) as a percentage of the value of the property with which he has to deal, or
- (b) by reference to the time properly given by the insolvency practitioner (as administrator) and his staff in attending to matters arising in the administration.

**2 107 (3)** It is for the creditors' committee (if there is one) to determine whether the remuneration is to be fixed under paragraph (2)(a) or (b) and, if under paragraph (2)(a), to determine any percentage to be applied as there mentioned.

**2. 107 (4)** In arriving at that determination, the committee shall have regard to the following matters:

- (a) the complexity (or otherwise) of the case,
- (b) any respects in which, in connection with the company's affairs, there falls on the administrator any responsibility of an exceptional kind or degree,
- (c) the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties as such, and
- (d) the value and nature of the property with which he has to deal.

**2. 107 (5)** If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed (in accordance with paragraph (2)) by a resolution of a meeting of creditors; and paragraph (4) applies to them as it does to the creditors' committee.

**2.107 (6)** In a case where the administrator has made a statement under paragraph 53(1)(b), if there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed (in accordance with paragraph (2)) by the approval of-

(a) each secured creditor of the company: or

(b) if the administrator has made or intends to make a distribution to preferential creditors-

(i) each secured creditor of the company; and

(ii) preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval;

and paragraph (4) applies to them as it does to the creditors' committee.

**2. 107 (7)** If not fixed as above, the administrator's remuneration shall, on his application, be fixed by the court.

- 2. 107 (8)** Where there are joint administrators, it is for them to agree between themselves as to how the remuneration payable should be apportioned. Any dispute arising between them may be referred:
- (a) to the court, for settlement by order, or
  - (b) to the creditors' committee or a meeting of creditors, for settlement by resolution.
- 2. 107 (9)** If the administrator is a solicitor and employs his own firm, or any partner in it, to act on behalf of the company, profit costs shall not be paid unless this is authorised by the creditors' committee, the creditors or the court.

**Rule 2.108 Recourse to meeting of creditors**

- 2.108 (1)** If the administrator's remuneration has been fixed by the creditors' committee, and he considers the rate or amount to be insufficient, he may request that it be increased by resolution of the creditors.
- 2.108 (2)** In a case where the administrator has made a statement under paragraph 53(1)(b), if the administrator's remuneration has been fixed by the creditors' committee, and he considers the rate or amount to be insufficient, he may request that it be increased by the approval of-
- (a) each secured creditor of the company; or
  - (b) if the administrator has made or intends to make a distribution to preferential creditors-
    - (i) each secured creditor of the company; and
    - (ii) preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

**Rule 2.109 Recourse to the court**

- 2. 109 (1)** If the administrator considers that the remuneration fixed for him by the creditors' committee, or by resolution of the creditors, is insufficient, he may apply to the court for an order increasing its amount or rate..
- 2.109 (2)** In a case where the administrator has made a statement under paragraph 53(1)(b), if the administrator considers that the remuneration fixed by the approval of the creditors in accordance with Rule 2.107(2) is insufficient, he may apply to the court for an order increasing its amount or rate.
- 2. 109 (3)** The administrator shall give at least 14 days' notice of his application to the members of the creditors' committee; and the committee may nominate one or more members to appear or be represented, and to be heard on the application.
- 2. 109 (4)** If there is no creditors' committee, the administrator's notice of his application shall be sent to such one or more of the company's creditors as the court may direct, which creditors may nominate one or more of their number to appear or be represented.

## **STATEMENT OF INSOLVENCY PRACTICE 9 (NI)**

- 2. 109 (5)** The court may, if it appears to be a proper case, order the costs of the administrator's application, including the costs of any member of the creditors' committee appearing or being represented on it, or any creditor so appearing or being represented, to be paid as an expense of the administration.
- 2.110 Creditors' claim that remuneration is excessive**
- 2. 110 (1)** Any creditor of the company may, with the concurrence of at least 25 per cent in value of the creditors (including himself), apply to the court for an order that the administrator's remuneration be reduced, on the grounds that it is, in all the circumstances, excessive.
- 2. 110 (2)** The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 7 days' notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing.
- 2.110(3)** If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly.
- 2.110 (4)** The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.
- 2. 110 (5)** If the court considers the application to be well-founded, it shall make an order fixing the remuneration at a reduced amount or rate.
- 2. 110 (6)** Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration.

### **A.2 PROVISIONAL LIQUIDATION**

#### **Rule 4.033 Remuneration**

- 4.033(1)** The remuneration of the provisional liquidator (other than the official receiver) shall be fixed by the court from time to time on his application.
- 4.033(2)** In fixing his remuneration, the court shall take into account:
- (a) the time properly given by him (as provisional liquidator) and his staff in attending to the company's affairs;
  - (b) the complexity (or otherwise) of the case;
  - (c) any respects in which, in connection with the company's affairs, there falls on the provisional liquidator any responsibility of an exceptional kind or degree;
  - (d) the effectiveness with which the provisional liquidator appears to be carrying out, or to have carried out, his duties; and
  - (e) the value and nature of the property with which he has to deal.
- 4.033(3)** Without prejudice to any order the court may make as to costs, the provisional liquidator's remuneration (whether the official receiver or another) shall be paid to him, and the amount of any expenses incurred by him (including the remuneration and expenses of any special manager appointed under Article 151) reimbursed:

## **PRACTICE FEE RECOVERY POLICY FOR PJG RECOVERY (NI) LIMITED**

### **Introduction**

This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9), which is attached.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs.

### **Time cost basis**

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

### **Chargeout Rates**

<b>Grade of staff</b>	<b>Current charge-out rate per hour, effective from 1 May 2017 £</b>	<b>Previous charge-out rate per hour, effective from 1 May 2013 £</b>
Insolvency Practitioner	330	325
Senior Manager	240	240
Manager	180	180
Supervisor/Senior Administrator	150	150
Case Administrator	120	120
Support Staff	80	80

These charge-out rates charged are reviewed on 1 May each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning.
- Investigations.
- Realisation of Assets.
- Creditors.
- Trading
- Case specific matters.

### **Percentage basis**

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions).

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the estate after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration).

### **Fixed fee (only relates to Company and Individual Voluntary Arrangements)**

In certain circumstances we may seek the approval of fees on a fixed fee basis.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration).

### **All bases**

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

### **Agent's Costs**

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

### **Disbursements**

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or PJG Recovery (NI) Limited in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

It is proposed that the following Category 2 disbursements are recovered:

Room Hire	£50
Mileage	40p per mile
Storage	30p per box per month/annum
Photocopying	5p per sheet

## **PROVISION OF SERVICES REGULATIONS SUMMARY SHEET FOR PJG RECOVERY (NI) LIMITED**

The following information is designed to draw the attention of interested parties to the information required to be disclosed by the Provision of Services Regulations 2009.

### **Licensing Body**

Melanie Reevel Giles is licensed to act as an Insolvency Practitioner in the United Kingdom by the Insolvency Practitioners Association.

### **Rules Governing Actions**

All IPs are bound by the rules of their professional body, including any that relate specifically to insolvency. The rules of the professional body that licences Melanie Reevel Giles can be found at <http://www.insolvency-practitioners.org.uk/>. In addition, IPs are bound by the Statements of Insolvency Practice (SIPs), details of which can be found at <https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>.

### **Ethics**

All IPs are required to comply with the Insolvency Code of Ethics and a copy of the Code can be found at <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code>].

### **Complaints**

At PJG Recovery (NI) Limited we always strive to provide a professional and efficient service. However, we recognise that it is in the nature of insolvency proceedings for disputes to arise from time to time. As such, should you have any comments or complaints regarding the administration of a particular case then in the first instance you should contact the IP acting as office holder.

If you consider that the IP has not dealt with your comments or complaint appropriately you should then put details of your concerns in writing to our complaints officer Philip Gill, at PJG Recovery (NI) Limited, 9 Gibson's Lane, Newtownards, BT23 4LJ. This will then formally invoke our complaints procedure and we will endeavour to deal with your complaint under the supervision of a director unconnected with the appointment. A copy of our firm's complaints procedure is attached.

Most disputes can be resolved amicably either through the provision of further information or following negotiations. However, in the event that you have exhausted our complaints procedure and you are not satisfied that your complaint has been resolved or dealt with appropriately, you may complain to the regulatory body that licences the insolvency practitioner concerned. Any such complaints should be addressed to The Insolvency Service, IP Complaints,

3rd Floor, 1 City Walk, Leeds, LS11 9DA, and you can make a submission using an on-line form available at [www.gov.uk/complain-about-insolvency-practitioner](http://www.gov.uk/complain-about-insolvency-practitioner); or you can email [insolvency.enquiryline@insolvency.gsi.gov.uk](mailto:insolvency.enquiryline@insolvency.gsi.gov.uk); or you may phone 0300 678 0015 - calls are charged at up to 10p per minute from a land line, or for mobiles, between 3p and 55p per minute if you're calling from the UK.

### **Professional Indemnity Insurance**

PJG Recovery (NI) Limited's Professional Indemnity Insurance is provided by Allianz Insurance plc, of 57 Ladymead, Guildford, GU1 1DB. This professional indemnity insurance provides worldwide coverage.

### **Remuneration Policy**

It is the policy of PJG Recovery (NI) Limited to seek its remuneration for carrying out insolvency work on a time cost basis. Where approval from creditors is being sought, a copy of our current charge out rates will be provided. Our personnel are charged out at standard hourly rates appropriate to their grade, and time is recorded in 6 minute units. Category 1 costs are drawn at cost, and specific approval is sought to draw Category 2 costs

In certain IVA cases, depending upon the nature of the assignment, we may choose to seek to be remunerated on either a fixed cost or a percentage of realisations (usually 20%). The basis of our proposed remuneration in such cases thus forms part of the contractual agreement between Debtor, Creditors and Supervisor.

### **VAT**

PJG Recovery (NI) Limited is registered for VAT under registration no 219 8290 84