

Administrator's progress report

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Maclay Group plc

SC133543

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

We (a) Colin Peter Dempster and Gavin David Yuill of Ernst & Young LLP, G1 Building, 5
George Square, Glasgow, G2 1DY

Joint Administrator(s) of the above company attach a progress report for the period

from

to

(b) insert date

(b)

23 January 2016

(b)

22 July 2016

Signed

Colin Dempster

Joint Administrator

Dated

1 September 2016

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

Kevin Swan

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DX Number:

DX Exchange:

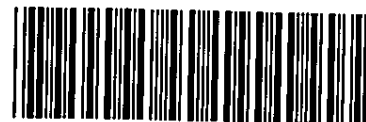
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COMPANIES HOUSE

TO ALL CREDITORS

1 September 2016

Ref: GDY/AR/KS/DT FP16
Direct line: 0131 777 2052
Direct Fax: 0141 226 9003
Kevin Swan

Dear Sirs

Maclay Group plc and Maclay Inns Limited (Both in Administration) (the Companies)

Registered office address: c/o Ernst & Young LLP, G1 Building, 5 George Square, Glasgow, G2 1DY

I write, in accordance with Rule 2.44 of the Insolvency (Scotland) Rules 1986, to provide creditors with a report on the progress of the administrations. This report covers the period from 23 January 2016 to 22 July 2016 and should be read in conjunction with the Joint Administrators' Statement of Proposals dated 16 March 2015 (**the Proposals**) and our previous progress reports to creditors dated 1 September 2015 and 3 March 2016.

Maclay Group plc (**MG**) and Maclay Inns Limited (**MIL**) entered administration on 23 January 2015 and G D Yuill and C P Dempster of Ernst & Young LLP were appointed to act as Joint Administrators. The appointment was made by Bank of Scotland plc of The Mound, Edinburgh, EH1 1YZ (**the Bank**) under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986. Certain statutory information relating to the Companies and the appointment of the Joint Administrators is provided at Appendix 1.

Summary of progress

Overview

As set out in my previous reports to creditors, the principal activity of MG was that of a holding company. Its main asset comprised a 47% equity stake and £300,000 of unsecured loan notes in Thistle Pub Company Limited (**TPCL**). It also owns a 100% equity stake in MIL.

MIL's principal activity was the operation of 15 pubs across Scotland (**the Pubs**) of which 13 were owned and two were operated under lease agreements. MIL also provided pub management services to two separate portfolios of pubs owned by TPCL and Thistle Pub Company III plc (**TPC3**).

Creditors will recall that, despite the insolvency of the Companies, we considered the underlying business of the Pubs to be strong, with each of the Pubs having historically generated a positive EBITDA and each being forecast to do so during the administration process. Accordingly, our strategy was, in overview, to continue to trade the Pubs as going concerns whilst a sale of the Pubs was sought, in order to achieve a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in administration).



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A summary of the progress made in relation to this strategy and realisation of the Companies' assets is provided below.

Trading

Creditors will recall that the Joint Administrators traded the Pubs from 23 January 2015 to 17 July 2015 and the Pubs were sold to Stonegate Pub Company Limited (**Stonegate**) on 17 July 2015. In accordance with the sale and purchase agreement in relation to this sale, some final accounting matters required to be concluded with Stonegate. I am pleased to report that these matters have now been concluded and have resulted in MIL receiving a small additional payment from Stonegate. A small trading profit was generated during the above noted period of trading, further details of which can be seen at Appendix 3. With all final accounting matters with Stonegate addressed, and all supplier accounts finalised, no further costs or receipts in relation to this period of trading are expected.

MIL also continued to manage the five pubs owned by TPCL under the terms of a supply and management agreement from the date of our appointment to 3 August 2015 (the date on which this management agreement was terminated and MG's financial interest in TPCL sold). All 100 MIL employees working in the units owned by TPCL transferred to TPCL under TUPE regulations on 3 August 2015.

As previously reported, shortly following our appointment, TPC3 terminated the management agreement between it and MIL. Management of TPC3's pubs transferred to LT Pub Management Limited (**LT**) with effect from 23 January 2015. All 141 MIL employees working in TPC3's pubs transferred to LT under TUPE regulations on that date.

Asset realisations – MIL

Property

MIL's principal asset was its interest in the fifteen Pubs (13 owned; 2 leased).

As noted above, legal completion of the sale of the Pubs to Stonegate took place on 17 July 2015. On that date, all c. 280 of MIL's employees working in the Pubs, together with its 7 remaining head office management and administrative support team, transferred to Stonegate under TUPE regulations.

As previously reported, the sales price achieved was £13.5m, plus £0.1m for stock. Creditors will recall that, of these sale proceeds, £0.7m related to The West Port Hotel in Linlithgow (**West Port**). Legal title to the West Port was held by a wholly owned subsidiary of MIL, Second Maclay Pub Company plc (**Second Maclay**), which was placed into solvent liquidation on 21 July 2015. An interim distribution of £0.6m was received by MIL from Second Maclay's liquidation in December 2015. We are pleased to report that Second Maclay has received the appropriate tax clearances from H M Revenue and Customs (**HMRC**) and, accordingly, we anticipate that MIL will receive a final distribution of c£15k from Second Maclay's liquidation within the next couple of months.



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Trademark agreements

MIL had an existing trademark agreement with The Sleeman Brewing & Malting Co. Limited (**Sleeman**), a Canadian craft beer manufacturer which entitled Sleeman to use the Companies' brand on craft beer in consideration for a quarterly royalty payment. Creditors will recall that, on 15 May 2015, an agreement was reached for the sale to Sleeman of these trademarks for £0.8m. In addition, quarterly royalty receipts of £87k were received by MIL from Sleeman from the date of our appointment to the completion of the sale to Sleeman.

Creditors will also recall that the Companies held a number of other trademarks and seven of these were sold to a third party on 26 November 2015 generating gross proceeds of £8k (shared between MG and MIL in proportion to the registered holder of the trademarks).

We continue to assess the realisable value of the Companies' remaining four registered trademarks. However, we anticipate that any realisations from this source are unlikely to be significant.

Equity stakes

MIL holds 5% and 6% equity stakes in Thistle Pub Company II plc (**TPC2**) and TPC3 respectively.

TPC2

Creditors will recall that, on 24 December 2015, TPC2 was placed into solvent liquidation. Since our last report to creditors, we have been in communications with the liquidators of TPC2 in order to reach a consensual agreement with them in connection with the payment to MIL of an interim distribution declared by the liquidators of TPC2. Such discussions were necessary due to the indemnity sought by the liquidators of TPC2, which we were unable to agree to, and the connected nature of the two insolvency processes (as TPC2 is a creditor of MIL, and MIL is a shareholder of TPC2, there was an issue with regards to the circularity of funds between MIL and TPC2).

I am pleased to report that we have agreed a "netting" approach with TPC2's liquidators which saw the anticipated final dividend payable by MIL to TPC2 being netted against the interim distribution to be received from TPC2, resolving the circularity issue, and resulting in MIL receiving a net interim distribution of £116k and participating in full in TPC2's final distribution. This has also avoided the need for MIL to give TPC2 an indemnity in respect of distributions received from it.

A second interim distribution of 22.7p per share was received from TPC2 on 29 August 2016, equating to a receipt by MIL of £73k. For the avoidance of doubt, this receipt is not included within the Joint Administrators' abstract of receipts and payments at appendix 3.

We understand that a small, final distribution will be received from TPC2 in due course, following receipt by it of the appropriate tax clearances from HMRC. The quantum of this final distribution is not expected to be significant.



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TPC3

Creditors will recall that, given the history of share sales by other shareholders through the Asset Match trading facility, we concluded that a sale of the TPC3 shares through this route was unlikely to achieve the best value for MIL's creditors. We further concluded that a repurchase by TPC3 of the equity stakes was unlikely.

Accordingly, our strategy in relation to the TPC3 shares has focussed on disposing of them to a third party. I am pleased to advise that an agreement in principle has been reached in connection with a sale of the entire equity stake and, subject to agreeing contracts, legal completion is anticipated to take place by the end of September 2016.

As set out in the Proposals, whilst MIL also has six wholly owned subsidiaries, as each is dormant / non-trading, beyond the distribution from the solvent liquidation of Second Maclay discussed above, no realisations will be received in respect of these equity stakes.

Creditors may also recall that MIL held a minority equity stake in The Restaurant Group plc and this was realised in January 2016, generating gross proceeds of £3k.

Other matters

Other assets

A small number of office furnishings and kitchen equipment, held at MIL's head office location, were auctioned for sale in situ prior to the vacation of MIL's head office on 4 September 2015. In this regard, gross proceeds of c. £5k were received.

Tax affairs of the Companies

As I am sure creditors will appreciate, the tax affairs of the Companies cannot be finalised until all of the Companies' assets have been realised.

I am, however, pleased to report that the corporation tax returns of MIL and MG covering the periods from our appointment to 17 July 2015 (being the date of cessation of MIL's trade for corporation tax purposes) and 22 January 2016 respectively have been finalised and submitted to HMRC. We have, together with our tax advisers, invested a substantial amount of time in this regard and this has generated a positive outcome for creditors as both returns showed that no tax liability was payable by the Companies in respect of these periods (compared with a previously estimated liability of c£250k for MIL).



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MIL's Creditors' Committee (the Committee)

I would advise that, in July 2016, TPC2 resigned as a member of the Committee as it was no longer a creditor of MIL. This resulted in the membership of the Committee falling below the statutory minimum of three creditors and, accordingly, the Committee was disbanded. Given the stage of progression of MIL's administration, we do not propose to seek a third member of the Committee but, rather, correspond with MIL's general body of creditors on any matters requiring creditor approval in accordance with the insolvency legislation.

Asset realisations – MG

MG held a 47% equity stake and unsecured loan notes with an aggregate value of £300k in TPCL, a joint venture with Tennent Caledonian Breweries UK Limited (TCB). Creditors will recall from my last reports that, following a substantial period of negotiation, an agreement was reached with TCB for the sale of these assets to it for £100k and this sale completed on 3 August 2015.

As part of this agreement, MIL also received full repayment of the debt due to it by TPCL of £267k, and agreed a consensual termination of its management agreement with TPCL. This brings our total realisations from TPCL to £367k.

MG's principal remaining asset is its 100% investment in MIL and the debtor balance due by MIL to MG of £2,069,868. An unsecured non-preferential claim in respect of this balance has been lodged by MG in MIL's administration.

MG received an interim dividend of £1.1m in relation to this claim from MIL in December 2015. A further smaller distribution will be received by MG in line with that to be received by MIL's other creditors in 2016. Please see the "*Outcome for creditors*" section below for further information.

Directors' conduct reporting

Creditors will recall that our final reports in relation to the conduct of the Companies' directors, prior to our appointment, were submitted to the Insolvency Service on 18 September 2015.

Receipts and payments account

I enclose at Appendices 2 and 3 respectively receipts and payments accounts for MG and MIL for the period from 23 January 2015 to 22 July 2016.

These do not reflect estimated future realisations or costs.



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Joint Administrators' remuneration and disbursements

MG

Creditors will recall that, at the meeting of creditors held on 31 March 2015 and additionally through separate correspondence dated 20 October 2015, the creditors of MG agreed to fix the remuneration of the Joint Administrators on the following basis:

- A fixed fee of £10,000 in relation to statutory compliance matters;
- An asset realisation fee, calculated as 2.5% of gross asset realisations up to £10m, rising to 5% above £10m; and
- A fee in relation to the Joint Administrators' time costs in respect of seeking the consent of the Court to the extension of the period of MG's administration, complying with their statutory duties as a result of the extension of the administration, and all work associated with the adjudication of creditor claims, and the declaration and payment of dividends to the preferential creditors, unsecured creditors and (if appropriate) the shareholders of MG, calculated on the basis of time properly given.

In the period from 23 January 2015 to 22 July 2016, the Joint Administrators have incurred time costs of £288,348.50 in relation to the administration of MG. Of these time costs, £99,975.00 were incurred during the current six month accounting period (23 January 2016 to 22 July 2016). A summary of these time costs is included at Appendix 4.

Category 1 and 2 disbursements have amounted to £1,124.08 and £227.30 respectively in the period from 23 January 2015 to 22 July 2016. A summary of these disbursements is also provided at Appendix 4.

In a letter dated 5 February 2016, the Joint Administrators set out their request to draw remuneration of £71,588 and Category 1 and 2 disbursements of £1,002 in respect of the period from their appointment to 22 January 2016, calculated in accordance with the resolutions noted above. MG's creditors resolved at a meeting held on 24 February 2016 to fix the Joint Administrators' remuneration in the above amounts and that the above noted remuneration and disbursements could be drawn by the Joint Administrators. Accordingly, the above noted remuneration and disbursements were drawn on 6 April 2016.

In accordance with the provisions of the insolvency legislation, the Joint Administrators set out their request for remuneration of £79,040, and disbursements of £349.09, in respect of the six month period to 22 July 2016 in a letter to MG's creditors dated 4 August 2016. MG's creditors have until 2 September 2016 to signify their approval, or otherwise, to the Joint Administrators' in respect of this request.

If creditors consider our remuneration to be, in all the circumstances of the administration, excessive, any creditor(s) representing 25% or more in value of MG's creditors may appeal to the Court within the later of 8 weeks of the end of the accounting period (being 22 July 2016) or 14 days after receiving notification of any determination issued by the creditors in relation to the Joint Administrators' remuneration. Additionally, if creditors do not issue a determination of our remuneration (or issue a determination that we are not satisfied with), in accordance with the Insolvency (Scotland) Rules 1986 we would require to ask the Court to issue such a determination.



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MIL

At the first meeting of creditors of MIL on 31 March 2015, the creditors of MIL resolved to establish the Committee. Under the Insolvency (Scotland) Rules 1986 (**the Rules**), the Joint Administrators are required to agree the terms of their remuneration with that Committee.

Following extensive discussions, the Committee resolved that the Joint Administrators' remuneration should be fixed on the basis of time properly given by, and 65% of the normal hourly rates of, them and their staff in dealing with matters arising in the administration.

The Committee further resolved that the Joint Administrators may draw their remuneration (and Category 1 disbursements) for every four week period commencing from 4 July 2015 following the end of each such four week period (subject to the provision in advance of a statement of that remuneration and Category 1 disbursements to the Committee), with a one-off 'catch-up' in relation to their remuneration and Category 1 disbursements to 3 July 2015 to be drawn immediately.

The Committee also resolved that the Joint Administrators may draw their Category 2 disbursements in accordance with the statement of charging policy set out in the Proposals.

In the period from 23 January 2015 to 22 July 2016, the Joint Administrators have incurred time costs of £1,640,525.76 in relation to the administration of MIL. Category 1 and Category 2 disbursements over the period from 23 January 2015 to 22 July 2016 have amounted to £7,260.54 and £11,525.53 respectively. A summary of these time costs and disbursements is provided at Appendix 5.

In accordance with the provisions of the insolvency legislation, the Joint Administrators have previously obtained the requisite approval from the Committee or MIL's general body of creditors (where appropriate) to remuneration and disbursements in respect of the period from 23 January 2015 to 22 January 2016 of £975,312.89 and £16,756.95 respectively.

The Joint Administrators set out their request for remuneration of £96,421, and disbursements of £2,029.12, in respect of the six month period to 22 July 2016 in a letter to creditors dated 4 August 2016. MIL's creditors have until 2 September 2016 to signify their approval, or otherwise, to the Joint Administrators' in respect of this request.

If creditors consider our remuneration to be, in the circumstances of the administration of MIL excessive, any creditor(s) representing 25% or more in value of MIL's creditors may appeal to the Court within the later of 8 weeks of the end of the accounting period (being 22 July 2016) or 14 days after receiving notification of any determination issued by the Committee in relation to the Joint Administrators' remuneration. Additionally, if creditors do not issue a determination of our remuneration (or issue a determination that we are not satisfied with), in accordance with the Insolvency (Scotland) Rules 1986 we would require to ask the Court to issue such a determination. A statement of our charging policy in relation to remuneration and disbursements is provided at Appendix 6.

In accordance with the above noted resolution of the Committee, the Joint Administrators' have, to date, drawn remuneration of £1,039,625, covering the period from 23 January 2015 to 15 April 2016. Category 1 and Category 2 disbursements of £16,836 have also been drawn in respect of this period. Remuneration in respect of the period from 16 April 2016 to 22 July 2016 will be drawn when the requisite approval has been obtained from MIL's general body of creditors (see above).



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Payments to other professionals

We have engaged the following other professionals to assist us in our duties. They were chosen on the basis of their experience in similar assignments, and given their specialist knowledge of the market.

Name of firm	Nature of service	How contracted to be paid	Payments made
(1) CMS Cameron McKenna	Legal advisors	Time cost basis plus disbursements	MIL - £107,874.03 MG - £21,362.80
(2) CDLH	Surveyor services / property agents	Percentage of realisations achieved plus disbursements	MIL - £177,312.50
(3) Sweeney Kincaid	Industrial auctioneer	Percentage of sales proceeds	MIL - £992.20

No further costs are payable to CDLH or Sweeney Kincaid and we currently estimate that further legal fees of £20k (MG - £10k; MIL - £10k) may be payable to our legal advisers.

Outcome for creditors

Secured creditors

In the Proposals, we set out that the Bank, the Companies' sole secured lender, had total indebtedness due to it at 23 January 2015 of c. £10.0m (before accruing interest and costs). With the addition of interest and costs, the total indebtedness due to the Bank was £10.2m, and comprised a term loan of £9.9m due by MG and an overdraft of £0.3m due by MIL.

This lending was secured by a standard security over the Pubs, a floating charge over the assets of both Companies, and a cross-guarantee between *inter alia* MG and MIL in favour of the Bank.

As previously reported, the Joint Administrators repaid the Bank's secured lending in full on 25 August 2015.

The Joint Administrators are not aware of any other secured creditors.

Preferential creditors

The preferential creditors of both MG and MIL, which amounted to c. £2k in each Company, received a dividend of 100 pence in the £ in March 2016. The preferential creditors of MG also received a payment of statutory interest, at the rate of 15 percent per annum, in accordance with the Rules on that date.



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Non-preferential creditors

MIL

Creditors will recall that, in line with paragraph 65(3) of Schedule B1 to the Insolvency Act 1986, the approval of the Court is required to make a distribution to the unsecured non-preferential creditors of MIL. On 22 October 2015, the Court's approval for the Joint Administrators to make an interim distribution, and any subsequent distributions (as required), to unsecured non-preferential creditors was duly received.

Accordingly, non-preferential creditors were provided with a deadline of 6 November 2015 to submit their claims. Claims totalling c. £4.3m were received by the Joint Administrators and, following a period of adjudication, the total value of unsecured non-preferential claims accepted was c. £4.8m.

Following the outcome of a Court hearing in relation to an incident that occurred prior to the Joint Administrators' appointment at a unit managed by MIL, a fine of £100k was levied on MIL and an unsecured claim, in this amount, was received from the Scottish Courts and Tribunals Service (SCTS) in March 2016. Accordingly, the total value of unsecured non-preferential claims accepted in MIL's administration is £4.9m. Please refer to Appendix 7 for a listing of the claims received and accepted.

An interim distribution of £2.5m was made to the unsecured non-preferential creditors on 17 December 2015, equating to an interim dividend of 52.33p in the £. A "catch up" payment of £52k was also made to SCTS in May 2016 in relation to the interim dividend of 52.33p in the £ paid to all other unsecured creditors in December 2015.

We anticipate that further distributions of c. 18p in the £ will be made to MIL's unsecured non-preferential creditors. In this regard, I am pleased to advise that we intend to declare a second interim dividend to MIL's unsecured creditors during September 2016. We are in the process of finalising the quantum of this dividend but anticipate it will be in the range of 5p – 10p in the £.

MG

As noted above, in line with paragraph 65(3) of Schedule B1 to the Insolvency Act 1986, the approval of the Court is required to make a distribution to the unsecured non-preferential creditors of MG. On 21 January 2016, the Court's approval for the Joint Administrators to make an interim distribution, and any subsequent distributions (as required), to unsecured non-preferential creditors was duly received.

Non-preferential creditors of MG were provided with a deadline of 20 November 2015 to submit their claims. I would advise that claims totalling c. £3.7m were received by the Joint Administrators and, following a period of adjudication, the total value of unsecured non-preferential claims accepted was c. £827k. Please refer to Appendix 7 for a listing of the claims received and accepted.

Creditors will recall that we anticipated that net realisations of c. £1.2m would be available to be distributed amongst MG's unsecured non-preferential creditors. Accordingly, these claims were settled in full, together with statutory interest at the rate of 15 percent per annum, in April 2016.



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Certain of the unsecured non-preferential claims against MG are "guarantee" claims in respect of the amounts not recovered from the administration of MIL. Accordingly, depending on the final outcome of MIL's administration, certain of these creditors may have a second guarantee claim (**the Second Guarantee Claims**) against MG in respect of the amounts not recovered from MIL and MG. To the extent that this is the case, the Second Guarantee Claims will receive a dividend in priority to MG's shareholders. In the event that the Second Guarantee Claims (if applicable) are settled in full, together with statutory interest, any surplus funds remaining will be distributed to MG's members in accordance with its articles of association.

The prescribed part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to Section 176A of the Insolvency Act 1986. The prescribed part applies to floating charges created on or after 15 September 2003.

As the floating charges granted in favour of the Bank by MG and MIL were created prior to 15 September 2003, section 176A of the Insolvency Act 1986 does not apply to these administrations and there is no prescribed part to be set aside for unsecured creditors of either MG or MIL.

Extension of the period of Administration

Creditors will be aware that the first anniversary of the Companies' administrations was due to expire on 22 January 2016. An application to extend the administrations for a period of twelve months to 22 January 2017 was made to Court on 15 January 2016 and the requisite Court approval was received on 21 January 2016 to extend the period of the administrations to 22 January 2017.

With regard to MG, the remaining matters to conclude the administration include, but are not limited to, receipt of a further dividend from MIL's administration, declaring and paying final dividends in respect of the Second Guarantee Claims and/or to members of MG, and finalisation of MG's tax affairs.

With regard to MIL, the remaining matters to conclude the administration include, but are not limited to, receipt of a final distribution from the liquidators of TPC2, declaring and paying dividends to the unsecured non-preferential creditors of MIL and finalisation of MIL's tax affairs.

In the event that we are unable to resolve the outstanding matters in the administrations prior to 22 January 2017, we may require to seek an additional extension to the administration period.



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The End of the Administration

The Proposals, which were deemed to be approved on 31 March 2015, set out the following:

- ▶ Should either or both of the Companies have no property which might permit a distribution to the unsecured non-preferential creditors at the end of the appropriate Administration, the Joint Administrators will send a notice to that effect to the Registrar of Companies. On registration of the notice the Joint Administrators' appointment will come to an end. In accordance with the provisions of paragraph 84(6) of Schedule B1 to the Insolvency Act 1986 the company or Companies will be deemed to be dissolved three months after the registration of the notice; or
- ▶ If, for any reason, distributions cannot be made to creditors in either or both of the Administrations pursuant to paragraph 65(3) of Schedule B1 to the Insolvency Act 1986, at the end of the appropriate Administration, the company or Companies will move straight into Creditors' Voluntary Liquidation upon the filing with the Registrar of Companies of a notice pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986. The liquidators would be C P Dempster and G D Yuill of Ernst & Young LLP and that any act required or authorised under any enactment to be done by the Liquidators would be done by either or both of them.

I trust that this report has been informative. I will report to you again at the conclusion of the administrations or in six months' time, whichever is sooner. In the meantime, should you have any queries please do not hesitate to contact my colleague. Kevin Swan on 0131 777 2052.

Yours faithfully
for the Companies

Gavin Yuill
Joint Administrator

Enc: Appendix 1 - MIL and MG statutory information
Appendix 2 - Joint Administrators' Abstract of Receipts and Payments - MG
Appendix 3 - Joint Administrators' Abstract of Receipts and Payments - MIL
Appendix 4 - Summary of Joint Administrators' Time-Costs and Disbursements - MG
Appendix 5 - Summary of Joint Administrators' Time-Costs and Disbursements - MIL
Appendix 6 - Joint Administrators' Policy on remuneration and disbursements
Appendix 7 - Schedule of unsecured non-preferential claims - MG and MIL

G D Yuill and C P Dempster are licensed in the United Kingdom to act as insolvency practitioners by The Institute of Chartered Accountants of Scotland.

The affairs, business and property of the Companies are being managed by the Joint Administrators, G D Yuill and C P Dempster, who act as agents of the Companies only and without personal liability.

We may collect, use, transfer, store or otherwise process (collectively, "Process") information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in accordance with applicable law and professional regulations including (without limitation) the Data Protection Act 1998.



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Appendix 1

MIL and MG statutory information

Company Name:	Maclay Group plc and Maclay Inns Limited
Registered Office Address:	C/O Ernst & Young LLP G1 Building 5 George Square Glasgow G2 1DY
Registered Number:	SC133543 and SC003272
Trading Name(s):	Maclay Inns Ltd; Unit names - Abbey Inn; The Bank; Braes; Bull Inn; East Port Bar; The Inn; Lansdowne Bar & Kitchen; The Lee; Lorne Bar; The Rule; Southsider; Three Judges; Tullie Inn; Village Inn; The West Port Hotel
Trading Address(es):	Unit 2/4 The e-Centre Cooperage Way Business Village Alloa FK10 3LP

Details of the Joint Administrators and of their appointment

Administrators:	C P Dempster and G D Yuill
Date of Appointment:	23 January 2015
By Whom Appointed:	The appointments were made by Bank of Scotland plc under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986
Court Reference:	MIL – P72/15 (Court of Session) MG – P71/15 (Court of Session)

Any of the functions to be performed or powers exercisable by the administrators may be carried out/exercised by either of them acting alone or by both of them acting jointly.

Statement concerning the EC regulation

The EC Council Regulation on Insolvency Proceedings does apply to these administrations and the proceedings are main proceedings. This means that these Administrations are conducted according to UK insolvency legislation and are not governed by the insolvency law of any other European Union Member State.



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MG

Share Capital

Class	Authorised		Issued & Fully paid	
	Number	£	Number	£
Ordinary A	225,000	225,000	225,000	225,000
Ordinary B	46,428	46,428	46,428	46,428
Ordinary C	19,150	19,150	19,150	19,150
Preference A	21,513	21,513	21,513	21,513
Preference B	28,572	28,572	28,572	28,572

Directors and secretary and their shareholdings

Name	Director or Secretary	Date Appointed	Date Resigned	Current Shareholding
Stephen Mallon	Director and Secretary	06/08/1998	26/01/2015	15,958 Ordinary C Shares
Kenneth Gilhespie	Director	04/09/2000	26/01/2015	None
Edward Denny	Director	14/12/2009	26/01/2015	None
Patrick the Earl of Annandale and Hartfell	Director	09/01/2001	26/01/2015	None
Gavin Reed	Director	01/07/2001	21/03/2012	None
David Matthews	Director	19/05/1999	21/03/2012	None
Louise Reed	Director	19/05/1999	21/03/2012	None

MIL

Share Capital

Class	Authorised		Issued & Fully paid	
	Number	£	Number	£
Ordinary	1,365,000	1,365,000	1,365,000	1,365,000

Directors and secretary and their shareholdings

Name	Director or Secretary	Date Appointed	Date Resigned	Current Shareholding
Stephen Mallon	Director	06/08/1998	26/01/2015	None
Kenneth Gilhespie	Director	09/01/2001	26/01/2015	None
Bruce Clow	Secretary	11/06/2013	30/11/2014	None



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Appendix 2

Maclay Group plc (In Administration)

Joint Administrators' Abstract of Receipts and Payments from 23 January 2015 to 22 July 2016

Estimated to Realise per Directors' Statement of Affairs		23 January 2015 to 22 January 2016	23 January 2016 to 22 July 2016	Total
Investments	3,487,558			
Receipts				
Investments				
Maclay Inns Limited		1,083,220.74	-	1,083,220.74
Thistle Pub Company Limited		100,000.00	-	100,000.00
Loans and advances	300,000	-	-	-
Marketable securities	124	-	-	-
Trade debtors	3,000	-	-	-
Sale of trademarks		2,760.00	-	2,760.00
Bank interest		410.85	1,525.10	1,935.95
	3,790,882	1,188,391.59	1,525.10	1,187,916.69
Payments				
Distributions to unsecured creditors		-	(791,784.72)	(791,784.72)
Distributions to preferential creditors		-	(2,038.11)	(2,038.11)
Statutory interest paid		-	(157,152.94)	(157,152.94)
Administrators' fees		-	(71,588.00)	(71,588.00)
Administrators' disbursements		-	(1,002.29)	(1,002.29)
Legal fees		(13,100.30)	(8,262.50)	(21,362.80)
Bank Charges and Interest		-	(60.00)	(60.00)
Tax/NI on preferential and unsecured dividends		-	(35,925.04)	(35,925.04)
		(13,100.30)	(1,067,813.60)	(1,080,913.90)
Net receipts/(payments)		1,173,291.29	(1,066,288.50)	107,002.79
Represented By				
Bank of Scotland current account as at 22 July 2016				88,217.17
VAT control accounts				
Refund of VAT due from MIL (already recovered by MIL, as representative member of the VAT group)				18,295.82
Refund of VAT due from HM Revenue and Customs				490.00
				<u>107,002.79</u>



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Appendix 3

Maclay Inns Limited (In Administration) Joint Administrators' Abstract of Receipts and Payments from 23 January 2015 to 22 July 2016

Estimated to realise per Director's Statement of Affairs		Receipts	23 January 2015 to 22 January 2016	23 January 2016 to 22 July 2016	Total
Property	9,000,000	Property	12,850,726.44	-	12,850,726.44 1
Marketable securities	250,000	Marketable securities	-	150,358.91	150,358.91 2
Trade debtors	250,000	Trade debtors	-	-	-
Stock in trade	180,795	Stock in trade	-	-	-
Royalties agreement	800,000	Royalties agreement	874,327.42	-	874,327.42
	10,480,795	Realisation of investment in SMPC	615,000.00	-	615,000.00 1
		Debt repayments from TPCL	267,895.00	-	267,895.00
		Sale of trademarks	5,240.00	-	5,240.00
		Futures and fittings	4,872.00	-	4,872.00
		Pre appointment debtors	2,347.92	-	2,347.92
		Bank interest received	2,808.88	244.80	2,853.68
		Other income	7,340.38	-	7,340.38
		Dividend income	159.85	6,244.22	6,403.87
			14,830,117.69	156,847.93	14,788,965.62
		Payments			
		Distributions to secured creditor	(10,213,464.35)	-	(10,213,464.35)
		Distributions to unsecured creditors	(2,500,000.00)	(83,224.74)	(2,583,224.74) 3
		Distribution to preferential creditors	-	(2,037.68)	(2,037.68)
		Administrators' fees	(833,240.97)	(197,745.00)	(1,030,985.97)
		Administrators' disbursements	(11,886.48)	(5,169.74)	(16,836.22)
		Professional fees/ agents fees	(209,505.53)	(3,000.00)	(212,505.53)
		Legal fees and disbursements	(99,566.53)	(11,721.50)	(111,288.03)
		Irrecoverable VAT	(7,827.30)	-	(7,827.30)
		Bank charges and interest	(11,191.03)	(63.80)	(11,254.83)
		Public notices	(343.95)	-	(343.95)
		Storage charges	(799.36)	(87.80)	(887.16)
		Sundry expenses	(567.13)	(782.89)	(1,350.02)
			(13,887,972.63)	(303,832.95)	(14,191,805.58)
		Net trading receipts/(payments)	47,841.09	3,276.77	51,117.86 4
		Net receipts/(payments)	789,986.15	(143,708.26)	646,277.90
		Represented by			
		Bank of Scotland current account as at 22 July 2016			615,563.60
		RBS current account as at 22 July 2016			35,887.26
		Total funds held as at 22 July 2016			651,250.86
		VAT control accounts			
		Refund of VAT due from HM Revenue and Customs			13,322.64
		Refund of VAT due to Maclay Group plc (already recovered by ML, as representative member of the VAT group)			(18,295.62)
					646,277.90

Notes

1 The total sales price achieved for the pub portfolio was £13.5m. Of these proceeds, £0.7m related to the sale of the West Port, Linlithgow. Legal title to the West Port was held by Second Maclay Pub Company plc ("SMPC"), a wholly owned subsidiary of ML, which was placed into solvent liquidation on 21 July 2015. Accordingly, this portion of the sale proceeds was received by SMPC. An interim distribution of these proceeds of £815k was made by SMPC to ML in December 2015.

2 This includes the "gross" interim distribution of £147k received from Thistle Pub Company II plc ("TPC2") in July 2016.

3 Following the outcome of a Court hearing in relation to an incident that occurred prior to the Administrators' appointment at a unit managed by ML, a fine of £100k was levied on ML and an unsecured claim, in this amount, was received from the Scottish Courts and Tribunals Service ("SCTS") in March 2016. A "catch up" payment of £52k was, therefore, made to SCTS in May 2016 in relation to the interim dividend of 52.33p/E paid to all other unsecured creditors on 17 December 2015.

We also agreed to settle in advance the further dividend payment due to TPC2 from ML in order to allow ML to receive a dividend payment of £150k (see Note 2 above) from the liquidator of TPC2 without the provision of an indemnity and to avoid the "circularity" between the two insolvency processes. Accordingly, a payment of £31k was made to TPC2 on 7 July 2016.

4 Analysis of trading receipts and payments

Trading receipts			
Pub sales	4,583,717.28	-	4,583,717.28
TPCL receipts for pub wages/ salaries	654,684.18	6,576.15	661,262.33
Pre appointment income	3,711.05	-	3,711.05
	5,242,112.51	6,576.15	5,248,688.66
Trading payments			
Labour costs	(2,492,236.69)	6,067.03	(2,486,169.66)
Wet/ dry stock purchases	(1,312,262.66)	-	(1,312,262.66)
Trading overheads and other costs	(471,221.68)	(4,938.76)	(476,160.44)
Utilities	(236,590.56)	(8,897.14)	(245,487.70)
Employer NI and pension contributions	(187,610.15)	(1,275.26)	(188,885.41)
Rates	(129,445.72)	(3,689.63)	(133,135.35)
Ransom creditor payments	(52,860.59)	-	(52,860.59)
Repairs and maintenance	(76,280.43)	2,050.60	(74,229.83)
Rent payments	(54,930.72)	5,161.78	(49,768.94)
Retention of title payments	(22,164.20)	-	(22,164.20)
Insurance costs	(145,523.20)	-	(145,523.20)
Machine gaming duty	(13,144.82)	-	(13,144.82)
	(5,194,271.42)	(3,301.38)	(5,197,572.80)
Net trading receipts/(payments)	47,841.09	3,276.77	51,117.86



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Appendix 4

Maclay Group plc (in Administration)

Summary of Joint Administrators' time-costs and disbursements from 23 January 2015 to 22 July 2016

1. Time cost summary

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total hours	Time cost (£)	Average hourly rate
Accounting and Administration	12.0	6.3	90.5	47.9	156.7	35,815.00	228.56
Bank & Statutory Reporting	36.3	5.4	10.5	-	52.2	25,467.00	487.87
Creditors	65.6	97.7	49.3	35.4	248.0	101,453.50	409.09
Employee Matters	9.8	17.6	9.0	8.5	44.9	16,729.50	372.59
Immediate Tasks	1.9	10.0	4.3	-	16.2	5,682.50	350.77
Investigation/CDDA	1.9	3.5	0.2	14.1	19.7	4,110.50	208.65
Job Acceptance & Strategy	4.6	-	-	-	4.6	2,501.50	543.80
Legal Issues	2.8	-	-	-	2.8	1,729.50	617.68
Members	2.0	3.0	-	-	5.0	2,685.00	537.00
Other Assets	42.1	27.1	2.5	2.9	74.6	33,225.50	445.38
Other Matters	6.6	5.3	8.4	0.3	20.6	8,250.50	400.51
Property	2.1	-	-	-	2.1	1,311.50	624.52
Statutory Duties	-	21.1	56.7	28.9	106.7	23,593.00	221.12
Trading	18.1	5.0	-	18.5	41.6	15,104.00	363.08
VAT & Taxation	0.4	13.9	1.4	18.8	34.5	10,690.00	309.86
Total hours	206.2	215.9	232.8	175.3	830.2	288,348.50	
Total time cost (£)	118,228	93,889	50,400	25,832		288,348.50	
Average hourly rate	573.37	434.87	216.49	147.36			347.32

Time costs for the period 23 January 2015 to 22 July 2016

£288,348.50

2. Charge out rates (£)

		01/07/16 to 30/06/17*	01/07/15 to 30/06/16*	01/07/14 to 30/06/15*
Partner/Director	Partner	710	660	630
	Executive Director	660	630	600
	Director	565	540	515
Manager	Senior Manager	500	475	450
	Manager	390	370	350
Other senior professionals	Executive	280	265	250
	Assistant Executive	225	215	205
Assistants and support	Analyst	150-225	145-215	140-205
	Accounting and Treasury Executive	135	130	125

* Please note that these are the rates charged by the Joint Administrators and their staff. The summary of time costs above includes time charged by the Joint Administrators' tax advisers (EY Tax), whose rates are higher than those charged by the Joint Administrators. Further detail on these charge out rates can be provided on request.

3. Disbursements

Category 1 disbursements

Travel costs	£49.10
Printing and postage	£236.65
Bonding	£775.00
Sundry expenses	<u>£63.33</u>
	£1,124.08

Category 2 disbursements

Mileage	<u>£227.30</u>
	£227.30

Total

£1,351.38



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Maclay Group plc (in Administration)

Summary of Joint Administrators' time-costs and disbursements from 23 January 2016 to 22 July 2016

1. Time cost summary

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total hours	Time cost (£)	Average hourly rate
Accounting and Administration	4.0	0.5	28.5	17.6	50.6	11,808.00	233.36
Bank & Statutory Reporting	5.1	-	-	-	5.1	3,214.00	630.20
Creditors	39.7	58.2	14.4	14.8	127.1	57,657.00	453.63
Employee Matters	-	14.3	5.5	-	19.8	8,325.00	420.45
Immediate Tasks	-	1.4	-	-	1.4	665.00	475.00
Investigation/CDDA	-	-	0.2	-	0.2	25.00	125.00
Members	-	3.0	-	-	3.0	1,425.00	475.00
Other Matters	1.8	0.8	2.9	0.3	5.8	2,603.50	448.88
Statutory Duties	-	-	7.7	16.5	24.2	3,980.50	164.48
VAT & Taxation	0.4	13.9	0.4	17.6	32.3	10,272.00	318.02
Total hours	51.0	92.1	59.6	66.8	269.5	99,975.00	
Total time cost (£)	30,758	44,708	14,170	10,340		99,975.00	
Average hourly rate	603.09	485.43	237.74	154.79			370.96

Time costs for the period 23 January 2016 to 22 July 2016

£99,975.00

2. Charge out rates (£)

		01/07/16 to 30/06/17*	01/07/15 to 30/06/16*
Partner/Director	Partner	710	660
	Executive Director	660	630
	Director	565	540
Manager	Senior Manager	500	475
	Manager	390	370
Other senior professionals	Executive	280	265
	Assistant Executive	225	215
Assistants and support	Analyst	150-225	145-215
	Accounting and Treasury Executive	135	130

* Please note that these are the rates charged by the Joint Administrators and their staff. The summary of time costs above includes time charged by the Joint Administrators' tax advisers (EY Tax), whose rates are higher than those charged by the Joint Administrators. Further detail on these charge out rates can be provided on request.

3. Disbursements

Category 1 disbursements	
Printing and postage	£129.92
Bonding	£177.50
Sundry expenses	<u>£41.67</u>
	£349.09
Category 2 disbursements	
Nil	<u>£0.00</u>
	<u>£0.00</u>
Total	<u>£349.09</u>



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Maclay Group plc (in Administration)

4. Summary of principal areas of work

During the period from 23 January 2016 to 22 July 2016, our time has principally been spent in relation to the following activities:

- ▶ Adjudicating on preferential claims received against MG. These claims were paid in full, together with statutory interest, in March 2016.
- ▶ Adjudicating on the unsecured non-preferential claims made against MG and paying a 100p/£ dividend, together with statutory interest, to these creditors in April 2016. In summary, nine claims totalling £3,704,543 were received and, following adjudication, the total value of claims accepted was £826,563. Whilst some of these claims were typical in nature, certain of the claims required significant time to be spent procuring legal advice and reaching a consensual agreement with creditors prior to adjudication.
- ▶ Maintaining the bank account for the administration of MG, and maintaining accounting records in relation to the administration. During the period to 22 July 2016, the Joint Administrators' cash team has also required to provide assistance in order to facilitate the dividends to MG's preferential and unsecured creditors in March 2016 and April 2016 respectively.
- ▶ Attending to the tax affairs of MG in respect of the period to 22 January 2016. This involved a substantial investment of time from the administrators and their tax advisers however this has generated a positive outcome for creditors as the returns have been finalised showing that MG has no tax liability for this period.
- ▶ Preparing and submitting MG/MIL's quarterly VAT returns. We have also required to spend a substantial amount of time chasing HMRC for repayments of VAT due to MG/MIL.
- ▶ Communicating with, and addressing queries from, unsecured creditors and shareholders of MG.
- ▶ Addressing the statutory aspects of our appointment, including the preparation of reports on the progress of the administration.



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Appendix 5

Maclay Inns Limited (in Administration)

Summary of Joint Administrators' time-costs and disbursements from 23 January 2015 to 22 July 2016

1. Time cost summary

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total hours	Time cost (£)	Average hourly rate
Accounting and Administration	20.6	40.0	847.7	276.7	1,185.0	317,236.00	267.71
Bank & Statutory Reporting	42.0	6.9	41.7	5.7	96.3	40,128.59	416.70
Creditors	107.7	145.8	106.4	192.4	552.3	178,902.50	323.92
Debtors	0.9	-	-	-	0.9	521.00	578.89
Employee Matters	17.8	70.0	18.2	25.8	131.8	48,705.00	369.54
Immediate Tasks	20.0	25.2	22.2	20.7	88.1	29,437.00	334.13
Investigation/CDDA	20.2	28.6	43.5	189.6	281.9	61,550.50	218.34
Job Acceptance & Strategy	13.0	-	-	-	13.0	7,582.50	583.27
Legal Issues	16.0	2.0	9.6	0.4	28.0	13,702.00	489.36
Other Assets	46.3	8.7	7.8	29.9	92.7	34,613.00	373.39
Other Matters	38.9	3.0	76.2	56.6	174.7	46,201.21	264.46
Property	143.2	24.1	101.0	12.2	351.2	135,242.00	385.09
Public Relations Issues	-	0.5	-	-	0.5	175.00	350.00
Retention of Title	-	2.0	-	2.4	4.4	1,052.00	239.09
Statutory Duties	9.0	19.1	59.7	121.5	209.3	42,940.50	205.16
Stock counts	-	-	12.6	43.9	56.5	9,254.50	163.80
TPCL audit	3.6	14.1	1.4	1.5	20.6	7,876.50	382.35
Trading	119.2	405.5	701.0	1,065.7	2,291.4	531,649.00	232.02
VAT & Taxation	8.8	125.7	115.1	84.9	334.5	133,756.96	399.87
Total hours	627.3	991.2	2,164.7	2,129.9	5,913.1	1,640,525.76	
Total time cost (£)	347,821	416,846	571,689	304,171		1,640,525.76	
Average hourly rate	554.47	420.55	264.10	142.81			277.44

Time costs for the period 23 January 2015 to 22 July 2016

£1,640,525.76

2. Charge out rates (£)

		01/07/16 to 30/06/17*	01/07/15 to 30/06/16*	01/07/14 to 30/06/15*
Partner/Director	Partner	710	660	630
	Executive Director	660	630	600
	Director	565	540	515
Manager	Senior Manager	500	475	450
	Manager	390	370	350
Other senior professionals	Executive	280	265	250
	Assistant Executive	225	215	205
Assistants and support	Analyst	150-225	145-215	140-205
	Accounting and Treasury Executive	135	130	125

* Please note that these are the rates charged by the Joint Administrators and their staff. The summary of time costs above includes time charged by the Joint Administrators' tax advisers (EY Tax), whose rates are higher than those charged by the Joint Administrators. Further detail on these charge out rates can be provided on request.

3. Disbursements

Category 1 disbursements

Travel costs	£1,562.17
Telephone	£181.71
Meals	£176.62
Postage	£1,487.25
Printing & office supplies	£1,077.02
Other sundry expenses	£1,495.77
Bonding	£1,280.00
	£7,260.54

Category 2 disbursements

Mileage	£10,280.53
Email hosting costs	£1,245.00
	£11,525.53

Total

£18,786.07



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Maclay Inns Limited (in Administration)

Summary of Joint Administrators' time-costs and disbursements from 23 January 2016 to 22 July 2016

1. Time cost summary

Classification of work function	Partner / Director	Manager	Other Senior Professionals	Assistants & Support	Total hours	Time cost (£)	Average hourly rate
Accounting and Administration	1.4	3.9	64.0	26.8	96.1	20,504.00	213.36
Bank & Statutory Reporting	6.4	3.5	-	5.7	15.6	6,751.09	432.76
Creditors	15.0	22.5	11.9	29.8	79.2	27,297.50	344.67
Employee Matters	-	5.0	1.0	5.0	11.0	3,440.00	312.73
Immediate Tasks	-	3.0	-	-	3.0	1,425.00	475.00
Investigation/CDDA	-	-	0.7	-	0.7	185.50	265.00
Legal Issues	-	-	1.9	0.4	2.3	561.50	244.13
Other Assets	4.5	7.7	2.9	-	15.1	6,898.50	456.85
Other Matters	3.1	2.8	1.5	9.7	17.1	4,561.38	266.75
Property	-	-	-	0.6	0.6	93.00	155.00
Retention of Title	-	-	-	0.8	0.8	128.00	160.00
Statutory Duties	3.5	2.5	14.5	15.6	36.1	9,338.50	258.68
Stock counts	-	-	-	2.6	2.6	416.00	160.00
TPCL audit	-	1.5	-	-	1.5	712.50	475.00
Trading	-	13.0	-	10.8	23.8	7,903.00	332.06
VAT & Taxation	4.4	69.0	21.0	46.1	140.5	58,126.46	413.71
Total hours	38.3	134.4	119.4	153.9	446.0	148,341.93	
Total time cost (£)	23,837	72,200	29,931	22,375		148,341.93	
Average hourly rate	622.38	537.20	250.68	145.38			332.61

Time costs for the period 23 January 2016 to 22 July 2016

£148,341.93

2. Charge out rates (£)

		01/07/16 to 30/06/17*	01/07/15 to 30/06/16*
Partner/Director	Partner	710	660
	Executive Director	660	630
	Director	565	540
Manager	Senior Manager	500	475
	Manager	390	370
Other senior professionals	Executive	280	265
	Assistant Executive	225	215
Assistants and support	Analyst	150-225	145-215
	Accounting and Treasury Executive	135	130

* Please note that these are the rates charged by the Joint Administrators and their staff. The summary of time costs above includes time charged by the Joint Administrators' tax advisers (EY Tax), whose rates are higher than those charged by the Joint Administrators. Further detail on these charge out rates can be provided on request.

3. Disbursements

Category 1 disbursements

Travel costs	£135.80
Meals	£12.50
Postage	£75.05
Other sundry expenses	£25.77
Bonding	<u>£535.00</u>
	£784.12

Category 2 disbursements

Email hosting costs	<u>£1,245.00</u>
	£1,245.00
Total	<u>£2,029.12</u>



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Maclay Inns Limited (in Administration)

4. Summary of principal areas of work

During the period from 23 January 2016 to 22 July 2016, our time has principally been spent in relation to the following activities:

- ▶ Finalisation of trading matters following the sale of MIL's 15 units on 17 July 2015. This has involved communications with several of MIL's suppliers in order to address final queries on supplier accounts.
- ▶ Liaising with MIL's professional advisers in connection with an incident at one of the units managed by MIL (which occurred prior to the administrators' appointment). The court hearing on this matter was held in March 2016 and a fine of £100k was levied on MIL. In this regard, an unsecured claim, in the amount of £100k, was received from SCTS in March 2016 and we subsequently required to adjudicate on this. We also required to make a "catch up" payment of £52k to SCTS in May 2016 in respect of the interim dividend paid to all other unsecured creditors in December 2015.
- ▶ Adjudicating on preferential claims received against MIL. These claims were paid in full in March 2016.
- ▶ Dealing with the liquidators of TPC2 in connection with the realisation of MIL's shareholding in TPC2. Specifically, as TPC2 is a creditor of MIL, and MIL is a shareholder of TPC2, there was an issue with regards to the circularity of funds between MIL and TPC2 (i.e. the quantum of TPC2's distributions to its shareholders would depend upon the receipt of a final dividend from MIL and, conversely, the quantum of MIL's final dividend to its unsecured creditors would depend upon the distributions received from TPC2). Accordingly, our communications with TPC2's liquidators involved discussing, and agreeing, the option of "netting" which saw the anticipated final dividend payable by MIL to TPC2 being netted against the interim distribution to be received from TPC2, resolving the circularity issue, and resulting in MIL receiving a net interim distribution of c.£116k and participating in full in TPC2's final distribution. This has also avoided the need for MIL to give TPC2 an indemnity in respect of distributions received from it.
- ▶ Attending to the tax affairs of MIL in respect of the period to 17 July 2015 (being the date of cessation of MIL's trade for corporation tax purposes). This involved a substantial investment of time from the administrators and their tax advisers. This investment has generated a positive outcome for creditors as the returns have been finalised, and submitted to HMRC, showing that MIL has no tax liability for this period in comparison to our previous estimate of £250k.
- ▶ Preparing and submitting MIL's quarterly VAT returns. A significant amount of time has been spent chasing HMRC, and providing supplementary information to it, in relation to repayments of VAT due to MIL totalling £347k in respect of three VAT periods. These were successfully recovered by the administrators in June 2016.
- ▶ Maintaining bank accounts for the administration of MIL, and maintaining accounting records in relation to the administration. During the period to 22 July 2016, the Joint Administrators' cash team has also required to provide assistance in order to facilitate i) final supplier payments, ii) the dividend payments to MIL's preferential creditors in March 2016, and iii) the "catch up" payment to SCTS in May 2016 in relation to its unsecured non-preferential claim.
- ▶ Progressing the realisation of MIL's other assets, including its financial interest in TPC3 and shares held in The Restaurant Group plc.
- ▶ Communicating with, and addressing queries from, unsecured creditors of MIL.
- ▶ Addressing the statutory aspects of our appointment, including the preparation of reports on the progress of the administration.



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Appendix 6

Maclay Inns Limited and Maclay Group plc (Both in Administration)

Joint Administrators' policy for charging remuneration and disbursements

Administrator's charging policy for remuneration

The Joint Administrators have engaged a manager and other staff to work on the cases. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the company's bank accounts and statutory compliance issues. Work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on case-related matters is charged to a separate time code established for each case. Each member of staff has a specific hourly rate, which is subject to change over time. The average hourly rate for each category of staff over the period is shown in the enclosed Time Cost Summary, as are the current hourly rates used. Time is recorded in units of six minutes.

Administrator's charging policy for disbursements

Statement of Insolvency Practice No. 9 ("SIP 9") divides disbursements into two categories.

Category 1 disbursements comprise payments made by the office holders' firm, which comprise specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. These disbursements can be paid from the insolvent's assets without creditors' approval. In line with SIP 9, it is our policy to disclose such disbursements drawn but not to seek approval for their payment. We are prepared to provide such additional information as may be required to support the disbursements drawn.

Category 2 disbursements comprise charges made by the office holders' firm which include elements of shared or overhead costs. SIP 9 provides that such disbursements are subject to approval as if they were remuneration.

It is our policy, in line with SIP 9, to seek approval for this category of disbursement before they are drawn.

The below table summarises the nature of Category 2 disbursements claimed and the basis on which these disbursements are charged.

Nature of Category 2 disbursement	Basis of charge
Mileage	10p/40p pence per mile, depending on grade of staff
Email hosting costs	£15/GB (per calendar month)



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Appendix 7

Maclay Inns Limited (in Administration)

Schedule of non-preferential creditor claims

Creditor Name	Claim received	Claim accepted
A Nunnery	£840.00	£0.00
Allstar Business Solutions Ltd	£190.35	£0.00
Aluline Ltd	£198.00	£198.00
Arran Brew Ltd	£1,412.92	£1,324.28
Berendsen UK Ltd	£7,627.13	£7,446.41
BHMA Ltd	£1,109.46	£1,109.46
Bibendum Wine Ltd	£38,738.27	£38,738.27
Biffa Waste Services Ltd	£12,992.04	£0.00
Booker Cash and Carry	£200.42	£200.42
Brake Bros Ltd (Woodwards)	£32,308.33	£32,217.94
Bramik Foods Ltd	£680.74	£680.74
Brew Dog	£635.76	£635.76
Brian Bissett	£910.00	£650.00
British Telecom	£40.52	£0.00
Brunton Miller	£1,670.48	£690.48
Bunzl Catering Supplies	£12,916.37	£12,916.37
Caledonia Fire & Security Ltd (Fife Fire)	£54.72	£54.72
Ceteris (Scotland) Ltd	£793.83	£793.83
City Refrigeration (UK) Ltd	£3,338.19	£3,338.19
Contract Solutions Grampian Limited	£4,296.36	£4,296.36
CS Logistics (Clear Solutions/ Scotland) Ltd	£2,136.15	£0.00
David Turner	£308,000.00	£0.00
DF Stock	£1,536.00	£1,344.00
Donaldson Construction Ltd	£3,544.80	£3,544.80
Dundee City Council (Rates)	£1,158.62	£0.00
E-On Energy Solutions Ltd	£25,194.66	£25,194.66
Employee 1	£661.77	£0.00
Employee 2	£368.13	£368.13
Espresso Adesso Ltd	£5,661.33	£5,661.33
Flying Firkin Distribution Ltd	£8,239.11	£8,239.11
Forfeith Refrigeration & Heat Pump Solutions Ltd	£302.99	£302.99
G Ford & Son	£1,544.40	£1,544.40
G.J Nimmo Electrical Contractors Ltd	£16,503.75	£16,503.75
Gateacre Press Ltd	£114.00	£114.00
Gateside Consulting Ltd	£2,364.75	£2,364.75
Glasgow PDC	£10,463.84	£10,463.84
GMS Recordings Ltd	£835.20	£835.20
H2O Cost Reduction Services	£15,876.00	£15,876.00
HM Revenue & Customs	£962,032.75	£1,834,777.94
Internet For Business Ltd	£8,770.47	£1,036.09
James D. Bilsland Ltd	£2,221.38	£2,221.38
K Gibb Stock & Audit	£3,884.50	£1,942.25
Kelburn Brewing Co	£905.69	£905.69
Knops Beer Company Ltd	£168.73	£168.73
Late Rooms Ltd	£1,856.85	£0.00
Loch Lomond Brewery	£2,213.16	£2,213.16
Maclay Group plc	£2,069,868.00	£2,069,868.00
Make-It-So Training Solutions Ltd	£1,579.20	£1,579.20
Matthew Algie	£1,404.90	£1,404.90
McLaren Vending Ltd	£4,253.51	£3,692.51
Miller Samuel Solicitors	£1,080.00	£1,080.00
MJ Seafoods	£5,977.06	£5,977.06
Moorepay	£4,700.76	£4,700.76
Morton Fraser	£2,400.00	£0.00
Oileco	£3,232.83	£3,193.23
Out Of Eden Ltd	£290.34	£290.34
Posera Europe Ltd	£10,359.72	£10,359.72
Progress Cleaning	£2,820.00	£2,820.00
R & D Miller	£722.82	£722.82
Redundancy Payments Office 1	£5,839.57	£5,839.57
Redundancy Payments Office 2	£3,946.26	£3,946.26
Ross Aird Plumbing & Heating Engineers	£579.00	£579.00
Saffery Champness	£1,500.00	£1,500.00
Scottish Courts and Tribunals Service	£100,000.00	£100,000.00
Scottish Hydro Electric Plc	£26,351.49	£26,351.49
Shearer Candles Ltd	£153.16	£153.16
St Andrews Brewers Ltd	£1,749.61	£979.61
Stannah Lift Services Ltd	£133.16	£133.16
Stewart Brewing Limited	£1,878.23	£1,878.23
The Cask Marque Trust	£529.20	£529.20
The City Of Edinburgh Council (Rates)	£213.09	£213.09
Thistle Pub Company II plc	£221,912.41	£211,683.91
Thistle Pub Company III plc	£363,020.57	£350,671.54
Thomson Communications UK Ltd	£154.74	£154.74
United Utilities	£16,262.49	£16,262.49
Ventilation Technical Services	£2,905.52	£2,905.52
Viridor Waste Management Ltd	£338.83	£338.83
Water Saving Techniques	£1,332.00	£1,332.00
West Port Print & Design Ltd	£536.20	£536.20
Wiremedia	£4,524.96	£4,524.96
Zion Security Ltd	£4,500.00	£0.00
Total	£4,374,562.55	£4,877,114.93



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Maclay Group plc (in Administration)

Schedule of non-preferential creditor claims

Creditor name	Claim received	Claim accepted
Close Brothers Premium Finance	£44,307.70	£40,218.91
Employee claims	£182,983.00	£94,075.00
GE Capital Equipment Finance Ltd	£13,305.45	£13,005.45
H M Revenue and Customs	£774,018.28	£492,593.21
Saffery Champness	£41,880.00	£41,880.00
Redundancy Payments Office	£15,776.00	£15,776.00
Tennent Caledonian Breweries UK Ltd	£2,100,000.00	£0.00
Thistle Pub Company II plc	£184,742.00	£70,011.80
Thistle Pub Company III plc	£347,531.00	£59,002.50
Total	£3,704,543.43	£826,562.87