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*Judgment: approved by the court for handing down (subject to editorial corrections)**	*Delivered:*	**03/02/2026**

IN THE HIGH COURT OF JUSTICE IN NORTHERN IRELAND

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CHANCERY DIVISION
(COMPANIES WINDING UP)

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IN THE MATTER OF G.O.N. CLEANING SERVICES LIMITED

AND IN THE MATTER OF THE INSOLVENCY (NORTHERN IRELAND) ORDER 1989

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Robert McCausland (instructed by Millar McCall Wylie, Solicitors) for the Applicant
Conor Lockhart (instructed by the Crown Solicitor s Office) for HMRC

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SIMPSON J

Introduction

[1] This is an application by Ms Zayneb O Neill, director of G.O.N. Cleaning Services Ltd. (the Company") that the court make an administration order in relation to the Company pursuant to para 13(1)(b) of Schedule B1 of the Insolvency (NI) Order 1989. Where material that provides:

> "13.—(1) An application to the High Court for an administration order in respect of a company (an administration application") may be made only by
> …
> (b) the directors of the company…"

[2] The Company was wound up on 6 November 2025 on foot of a petition issued by HMRC. Due to an issue with service of the petition, the winding up order was rescinded. Following that rescission, the petition was adjourned to permit the Company to put forward a proposal for a Company Voluntary Arrangement to its creditors. That proposal was rejected by the creditors, essentially HMRC, the principal creditor. The petition remains outstanding, so the reality is that the alternative to administration in this case is liquidation of the Company.

[3] The application is grounded on Ms O Neill s affidavit which I have read, together with the exhibits. The Company provides commercial cleaning services specialising in healthcare decontamination, and currently holds contracts with all the Healthcare Trust in Northern Ireland. The contracts are primarily specialist cleaning services for hospitals, care homes and GP practices. In addition, the Company provides critical services in the form of operating theatre cleaning, endoscopic equipment decontamination and hospital laundry services for the largest private healthcare provider in Northern Ireland.

[4] The Company currently employs some 120 people.

[5] There has been a history of delays in receiving payment for its contractual services from the Health Trusts and this has contributed to the financial difficulties experienced by the Company which, of course, still had to pay its staff and for materials etc. while not receiving prompt payment from the public sector entities. In addition, Ms O Neill s husband tragically died in a domestic accident in June 2024. He played an integral part in the running of the company and his death, and Ms O Neill s subsequent struggles with the personal loss has also made a contribution to the financial problems.

[6] The powers of the court in this application are outlined in para 14.

> "14.—(1) On hearing an administration application the High Court may—
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> (a) make the administration order sought;
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> (b) dismiss the application;
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> (c) adjourn the hearing conditionally or unconditionally;
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> (d) make an interim order;
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> (e) treat the application as a winding-up petition and make any order which the Court could make under Article 105;
>
> (f) make any other order which the Court thinks appropriate."

[7] Under the rubric Conditions for making order" para 12 provides:

> "12. The High Court may make an administration order in relation to a company only if satisfied—

(a) that the company is or is likely to become unable to pay its debts, and

(b) that the administration order is reasonably likely to achieve the purpose of administration."

[8] In Gowdy on *Corporate Insolvency*, at para 5.31, the learned author says:

> The company s inability to pay its debts may either be proved by showing that the company s liabilities exceed its assets, the balance sheet test, or that the company is unable to pay its debts as they fall due. The usual test will be the inability to pay its debts as they fall due; however, the balance sheet test can also be used."

[9] Having read the papers in this case and having heard the submissions of Mr McCausland, to which there was no real opposition on this particular point, I consider that both tests are met and that the requirement in para 12(a) is satisfied. I do not consider that it would be appropriate to, and it is not necessary to, set out in a public judgment the figures involved.

[10] As to the requirement in para 12(b), in relation to similar legislative provisions in England, Hoffman J in the case of *Re Harris Simon Construction Ltd*. [1989] 1 WLR 368 said that it was not unlikely that the legislature intended to set a modest threshold of probability to found jurisdiction and to rely on the court s discretion not to make orders in cases in which, weighing all the circumstances, it seemed inappropriate to do so." (370H). At 371C he said that the requirements would be

> "… satisfied if the court considers that there is a real prospect that one or more of the stated purposes may be achieved. It may be said that phrases like real prospect lack precision compared with 0.5 on the scale of probability. But the courts are used to dealing in other contexts with such indications of the degree of persuasion they must feel."

[11] Hoffman J also agreed with the proposition that the English legislation broadly equivalent to para 12 of Schedule B1 "… only sets out the conditions to be satisfied before the court has jurisdiction. It still retains a discretion as to whether or not to make the order." (370H)

[12] The proposed Administrator is identified as George Lafferty, of Begbies Traynor (Central) LLP, t/as Begbies Traynor, Scottish Provident Building, 7 Donegall Square West, Belfast. It is not contested that Begbies Traynor is a firm highly experienced in corporate administration.

[13] The purpose of administration is identified in para [4]:

> "4.—(1) The administrator of a company must perform his functions with the objective of—
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> (a) rescuing the company as a going concern, or
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> (b) achieving a better result for the company s creditors as a whole than would be likely if the company were wound up (without first being in administration), or
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> (c) realising property in order to make a distribution to one or more secured or preferential creditors."

[14] Mr McCausland, for the applicant submits that in the circumstances of this case, all three of the purposes in para (4) will be met by administration.

[15] I have been shown figures in the course of the submissions which suggest that the dividend to creditors, effectively HMRC, would be significantly greater in an administration than in a liquidation. Again, it is not necessary to set out the figures which I have seen. As noted above, the Company employs 120 people. Liquidation will result in their being immediately made redundant, with consequential redundancy payment liabilities. This has been calculated at £200,000. The Company has contracts which provide a source of income. The applicant intends to inject funds into the Company. If the Company goes into liquidation the services which the Company provides will cease immediately, and the various institutions will have to find an alternative provider — which could take some time, with the consequence of potential problems to these institutions and to members of the public. There is the potential for a considerable public benefit in administration as opposed to liquidation.

[16] For HMRC, Mr Lockhart quite properly did not seek to challenge the applicant s submissions in relation to the statutory gateways and tests. His objections were focused on concerns on the part of HMRC relating to what he identified as changing figures in various documents, including as between the CVA proposals and the most recent Statement of Affairs He urged the court to scrutinise the matter carefully, and consider the reliability of the figures now put forward, particularly in the light of those changes. Again, I do not consider it necessary or appropriate to identify all the figures in this public judgment.

[17] I have carefully scrutinised all the figures in the document before me. I have also taken into account the detailed explanations set out in a letter from the applicant s solicitors dated 28 January 2026. I have considered the cogency of those explanations and how, if at all, they deal with and meet the concerns raised by Mr Lockhart. In all the circumstances of this case, I find the explanations to be entirely reasonable and credible.

[18] I am satisfied that the requirements of para 12(b) are met in this case.

[19] The court still retains a discretion as to whether or not the order should be made. In *Re Consumer & Industrial Press Ltd.* [1988] BCLC 177, the court said at 179:

> "There are no words in [para 12(b)] limiting the considerations to which the court is to have regard. Once the conditions in (a) and (b) are satisfied the court has a complete discretion, and it must take account of all material circumstances. But of course, it will do so in order to further and not to frustrate the purposes of the [legislation]"

[20] In the exercise of my discretion, I take into account all the circumstances, and I also take into account the potential benefit to the public in administration over immediate liquidation, to which I referred above.

[21] I also bear in mind that the Administrator is an officer of the court. The court can provide directions to the Administrator — see para 69(2) of Schedule B1. In addition, para 75 gives to a creditor, eg HMRC, the right to apply to the court if it considers that the Administrator is acting or proposes to act unfairly towards the creditor or if the Administrator is not acting as quickly or as efficiently as is reasonably practicable." Under para 75(4) the court has a number of powers on foot of such an application — it can (a) regulate the administrator s exercise of his functions; (b) require the administrator to do or not do a specified thing; (c) require a creditors meeting to be held for a specified purpose; (d) provide for the appointment of an administrator to cease to have effect; (e) make consequential provision." Part of the functions of the Administrator can also involve investigating the reasons for the Company s insolvency, including conduct of the directors.

[22] Thus, there are considerable safeguards for creditors built into the administration process.

Conclusion

[23] An administration order is often described as one which provides a company with some breathing space. The commencement of administration provides protection to the company against other insolvency proceedings, without which administration would be unlikely to succeed. In particular, the making of the order will result in the dismissal of any winding up petition (see para 41(1)(a) of Schedule B1).

[24] In his book (op cit — para 4.01) Mr. Gowdy describes administration as

> "very much a creature of the 'rescue culture' which has largely become the underlying philosophy of the company insolvency code. Its purpose is to facilitate a reconstruction of an insolvent company, to procure its survival as a going concern or, should that not prove possible, to realise better the company's assets on its liquidation as a 'gone' concern."

[25] Having carefully considered the papers and the submissions of both counsel I am satisfied that an administration order should be made. I am entirely satisfied that the making of such an order would be reasonably likely to achieve not just one, but all three, of the identified purposes of administration in para 4 of Schedule B1 to the Order.

[26] Accordingly, I accede to the application brought by the applicant in this case.

[27] The applicant will provide an agreed order to the court.

[28] I make no order as to costs.