

The Insolvency (Northern Ireland) Order 1989

Notice of move from administration to dissolution

2.35B

Name of Company PT McWilliams Limited - In Administration	Company number NI046422
In the High Court of Justice in Northern Ireland Chancery Division (Company Insolvency)	Court case number 2015/014046

case 3

(a) Insert name(s) and address(es) of administrator(s) I/We (a) Michael Jennings and Brian Murphy of BDO, Lindsay House, 10 Callender Street, Belfast BT1 5BN

(b) Insert name and address of registered office of company having been appointed administrator(s) of (b) PT McWilliams Limited whose registered office is situated at Lindsay House, 10 Callender Street, Belfast BT1 5BN.

(c) Insert date of appointment On (c) 13 February 2015 by (d) the Company Directors (via a Court Application)

(d) Insert name of applicant / appointor

hereby give notice that the provisions of paragraph 81(2) of Schedule 1 to the Insolvency (Northern Ireland) Order 1989 apply:

I/We attach a copy of the final progress report.

Signed

[Signature]
Joint administrator(s)

Dated

24th June 2020

MONDAY



J9899FI0

JNI 29/06/2020 #11
COMPANIES HOUSE

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

BDO, Lindsay House, 10 Callender Street, Belfast BT1 5BN

Our Ref MJ/DW/KM

Tel: 028 9043 9009

DX Number

DX Exchange

Companies House receipt date barcode

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, BT2 8BG

TO ALL KNOWN CREDITORS**FINAL REPORT**24 June 2020
MJ/DW/KM

Dear Sirs

PT McWilliams Limited - In Administration (the "Company")

I refer to my appointment as Joint Administrator of PT McWilliams Limited. Please be advised that I am now in a position to conclude the Administration and provide my final report to creditors in respect of same.

In accordance with my proposals dated 19 February 2015, the Company will be dissolved within 3 months of this final report being lodged at Companies House in line with Paragraph 85 of Schedule B1 of the Insolvency (Northern Ireland) Order 1989.

All matters within the Administration have been dealt with and we have met Objective (c) of our statutory purpose, *being the realisation of property and assets in order to make a distribution to one or more secured or preferential creditors.*

The following information sets out the details of the case and the steps that we have taken to conclude all matters within the administration.

1 Statutory Information

The Joint Administrators are Michael Jennings FCA and Brian Murphy FCA of BDO Northern Ireland, Lindsay House, 10 Callender Street, Belfast, BT1 5BN and they were appointed Joint Administrators following an application to court by the Directors of the Company pursuant to Paragraph 13 Schedule B1 of the Insolvency (Northern Ireland) Order 1989, on 13 February 2015. The court case number is 2015/014046.

Under the provisions of Paragraph 101(2) of Schedule B1 of the Insolvency (Northern Ireland) Order 1989, the Administrators carry out their functions jointly and severally and either Administrator has exclusive power to exercise any function.

The Company's registered office is situated at BDO Northern Ireland, Lindsay House, 10 Callender Street, Belfast, BT1 5BN and the registered number is NI046422.

2 Statement of Affairs

The directors submitted a statement of affairs dated 13 February 2015, a copy of which was included in my previous report to creditors. This document is available for electronic downloading from Companies House.

3 Steps taken within the Administration to meet our objectives

Immediately prior to our appointment as Joint Administrators, a detailed review of the Company's affairs was undertaken. Particular focus was spent on the existing contracts of the Company and how best to restructure these in order to maximise the value to the Company's stakeholders.

Any profitable contracts were identified and valued by an independent expert and were subsequently novated with the respective approval of the JV Contractor to avoid the termination clauses being effected via the onset of insolvency action.

At the date of the administration, trade ceased at all sites with the exception of the M8 contract. A total of 60 employees were made redundant by the Company whilst the remaining 44 employees working on the M8 contract were transferred under TUPE regulations to the agreed contractor.

3.1 M8 Contract

This contract was being operated by a Joint Venture Partnership, namely Lagan Ferrovial for the development of the M8 road between Edinburgh and Glasgow. PT McWilliams subsequently won the contract for road works and commenced in February 2014.

Noting the potential insolvency of the Company, approval was sought from the JV Contractor to legally novate the contract to a new entity. Following a formal valuation from a qualified independent Surveyor, an offer of £400k was accepted from a 3rd party investor (being in line with the valuation). As noted above 44 employees were transferred and the investor funded the completion of the project.

3.2 A5 Contract

This contract related to the upgrading of the entire A5 dual carriage way from the Irish Border at Achnacloy to the City of Derry/Londonderry.

In November 2018, the assignment of PT McWilliams' share of a Joint Venture agreement for the development of the A5 road completed. Noting the delays in seeking to resolve this matter, the Administrators negotiated an increased payment from £10,000 to £20,000. The payment was split with the first £10,000 received on the signing of the contract and the final £10,000 was received in November 2019.

3.3 A4 Poland - GDDKIA

This contract related to work carried out on the A4 road project in Tarnow by a 100% owned Polish subsidiary of PT McWilliams Ltd, namely PT McWilliams SP Z.O.O.

Throughout the Administration, the Administrators liaised with their legal advisors in respect of realising the contract debtor. GDDKIA, who were disputing the balance due which was being pursued via the Polish court system. A first hearing took place in February 2019, in which the debtor disputed the balance due and requested further evidence.

Additional evidence was unable to be retrieved to support our legal claim and we sought further assistance from the former directors of the Company to maximise the potential realisation. However, following review of historic files and evidence, they were also unable to provide sufficient information to counter the arguments presented. Following legal advice and taking into consideration the ongoing costs, the Administrators subsequently took the decision to withdraw from the claim against the GDDKIA.

As PT McWilliams SP Z.O.O. is incorporated in Poland, the Company will not be automatically dissolved upon the completion of the PT McWilliams Administration. As such this entity is required to be formally liquidated via the Polish Legal System.

As such, we engaged with BDO Poland to act as Liquidators over PT McWilliams SP Z.O.O in June 2020. The Liquidators will carry out all necessary steps along with the company's board in order to formally wind up all operations under Polish Law.

3.4 Other Contracts

Upon appointment, all contracts effectively terminated, however the Company claimed that it was still owed money on foot of certified work carried out pre administration. The Administrators initially contacted the various contractors to pursue the monies however these were all disputed with further set off claims for breach of contract.

Following further review with our legal advisors, we ascertained that the remaining debtor balances were contractually weak and any adjudication process would incur substantial legal costs to pursue with the likelihood that any action was unlikely to be successful based on the information that was held.

In light of this legal advice, the remaining debtor contracts were not pursued via court action.

3.5 Freehold Land and Property

Sale of the freehold land and property was achieved by Corporate Auction Solutions, in April 2015 by way of a private treaty tender. This included the sale of the Commercial land and buildings at 114 Carnalea Road, Seskinore with a sales price of £177,000 being achieved.

c17.07 acres of land adjacent to 114 Carnalea Road, Seskinore with a sales price of £170,000 was achieved and a Development site north east of 150 Carnalea Road, Fintona with sale proceeds of £38,000 was received. The sale of a Quarry at Carrickallen completed in September 2017 for €61,000.

3.6 Insurance Reclaim

The Administrators initially pursued an insurance claim for defective equipment. However, following a review from the Administrators legal team, the Administrators were advised that there was little merit in pursuing this matter further due to the lack of available evidence to support PT McWilliams' claim and the limited likelihood of a successful legal claim.

3.7 Other Trade Debtors

The Administrators were advised of a number of smaller trade debtors with balances outstanding upon their appointment. During the Administration balances of £9,609.42 were collected. It was concluded that any remaining trade debtor balances were unlikely to be recovered, due to the costs required to be incurred to pursue these small balances.

3.8 Plant & Machinery and Motor Vehicles.

All plant and machinery was sold by Corporate Auction Solutions by way of formal Private Treaty Tender. £33,000 was received in respect of the sale of plant and machinery.

During the Administration, it was reported that there were several unencumbered vehicles that were owned by the Company which were to be sold. Following further investigation, it was identified that the vehicles in question were leased assets which were transferred to William Keys and Son Limited during the previous Administration. There were no further vehicles owned by the Company in this Administration to realise.

4 Receipts and Payments Account

I enclose at **Appendix I**, a summary of my receipts and payments account as at 24 June 2020, showing a balance in hand of Nil. The receipts and payments shown are largely self-explanatory, although I would comment specifically on the following matters that have occurred over the course of the Administration;

4.1 Receipts

4.1.1 Sale of Contracts

Prior to the appointment of the Administrators, the M8 contract was sold and gross sale proceeds of £400,000 were subsequently transferred from the Company to the Administrators upon appointment.

£20,000 was also received in respect of the assignment of certain assets relating to the A5 Road Contract.

4.1.2 Freehold Land and Property

As reported at **Section 3.5**, the Company's Land and Property was realised during the Administration. Sale proceeds of £437,455.07 were received in respect of these assets.

4.1.3 Bank Refunds and Compensation

During the Administration, £81,400.65 was received from HSBC Bank. This related to a refund/compensation of monthly account service charges and incorrect margins for foreign currency overdrafts in the PT McWilliams Ltd foreign trading bank accounts which was charged prior to the Administration.

4.1.4 HMRC VAT Refund

The Administrators have recovered VAT incurred on expenses amounting to £62,294.33 over the course of the Administration.

4.1.5 Plant & Machinery

Sale proceeds in the sum of £33,000 were received in respect of the Company's plant and machinery.

4.1.6 Endowment Policy

An endowment policy belonging to the Company was surrendered during the Administration with funds of £13,788.53 transferred into the Joint Administrator's account.

4.1.7 Book Debtors

Debtors balances in the sum of £9,609.42 were collected during the Administration. This related to £4,823.26 from book debtors and a dividend of £4,786.16 from a debtor in Liquidation.

4.1.8 Insurance Refund

Insurance refunds in the sum of £2,940.30 was received in respect of the Company's former life and health insurance policies.

4.1.9 Electricity Refund

£2,327.96 has been received in the Administration in relation to the overpayment of electricity costs.

4.1.10 Motor Vehicles

Refunds from the DVLA in the sum of £474.41 were received during the Administration.

4.2 Payments

4.2.1 Secured Creditor Distributions

In June 2020 a final distribution of £41,279.24 was paid to HSBC, being the remaining monies held by the Administrator following payment of all remaining costs.

A total distribution of £641,279.24 has been made to the secured creditor, HSBC, over the course of the Administration, being the net proceeds available following the realisation of the various assets as discussed in **Section 3**.

4.2.2 Administrator Fees and Disbursements

Please see **Sections 8 and 9** below for further details.

4.2.3 Legal Fees and Expenses

During the Administration £70,908.76 was paid to Arthur Cox solicitors in relation to all advice provided in respect of the legal contracts, the novation of the M8, all sale of assets, and all work in respect of the Administration appointment and the applications to court for the extensions of the administration.

In June 2020, €11,050 which equated to £10,072.47 (£8,189 plus VAT of £1,883.47) was paid to BDO Legal in Poland to carry out the Liquidation process of PT Poland SP Z.O.O.

4.2.4 Agents Fees and Expenses

£17,646 plus VAT was paid during the Administration regarding the marketing and sale of all of the Company's assets.

4.2.5 Civil Engineers Fees and Expenses

Professional fees of £13,751.2 plus VAT were paid in respect of work carried out to review one of the main contract debtors.

4.2.6 Property Rates

Rates of £10,708.06 were paid in the Administration in relation to the Quarry asset in Carrickallen which had to be settled to Cavan county council in order to allow the sale to conclude.

4.2.7 Storage Costs

Storage costs of £6,059.22 were paid to Morgan's security in relation to the storage of Company documents in line with legal requirements.

4.2.8 Insurance

Following the sale of the Company's assets £4,939.63 was paid to IRS for the insurance of the assets.

4.2.9 Electricity

A total of £4,133.80 was paid in relation to electricity costs for the Company's assets prior to sale.

4.2.10 Preferential Dividend

A preferential dividend of £878.09 was paid to Redundancy payment services. See Section 7.3 for further detail.

5 Future of the Administration

5.1 Achieving the Statutory Purpose of the Administration

The statutory purpose of an Administration consists of three objectives, namely;

- (a) Primarily, rescuing the Company as a going concern; or failing that
- (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 finally
- (c) Realising property in order to make a distribution to one or more secured or preferential creditors.

Whilst attempts were made to maximise the recovery for the Company's creditors, the benefit was wholly applied to the secured creditor and there were insufficient funds generated from the sale of assets to pay a dividend to the unsecured creditors.

In the case of PT McWilliams Limited - In Administration, the Company's assets have been realised and the Joint Administrators believe that Objective (c) has been achieved through the realisation of the Company's assets.

6 Directors Disqualification Unit

In accordance with our statutory duties, the Joint Administrators submitted their report along with questionnaires completed by the Company's Directors, to the Directors Disqualification Unit at the Insolvency Service.

7 Outcomes for the Company and Creditors

7.1 Outcome for the Company - Exit from the Administration

The Insolvency (Northern Ireland) Order 1989 and the Insolvency Rules (Northern Ireland) 1991 provide a variety of options regarding the possible exit routes for a company from Administration, namely

- Company Voluntary Arrangement
- Liquidation
- Dissolution

As all outstanding matters in the Administration process are now complete, the Administrators are now proceeding to exit the Administration via dissolution in accordance with the Administrators' proposals dated 19 February 2015.

7.2 Outcome for Secured Creditor - HSBC

At the date of the Administrators appointment, the Company owed HSBC ("the Bank"), the secured creditor, the total sum of £3,074,515. This was secured by way of a fixed and a floating charge over the assets of the Company.

During the course of the Administration, distributions totalling £641,379 have been repaid to the secured creditor.

7.3 Preferential Creditors

During the Administration, Redundancy Payment Services submitted a preferential claim of £384,457.03. Of this claim, £83,881.16 related to debt incurred in the first Administration of PT McWilliams Ltd and as such is outside this current Administration process. The entire balance was admitted as an unsecured claim within the 2nd Administration.

The remaining £300,576.87 related to the second Administration. A preferential element of £878.09 was included within this claim and as such a preferential dividend was paid. The remaining £299,698 related to an unsecured claim and this was lodged within the Administration process.

7.4 Unsecured Creditors

There were insufficient asset realisations to make a distribution to unsecured creditors.

7.5 Prescribed Part

Under the provisions of Section 150A of the Insolvency (Northern Ireland) Order 2006 (Amended), the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 27 March 2006.

It is noted that there is a debenture over the floating assets of the Company, which is dated 1 March 2004 and is pre the legislation. The prescribed part calculation therefore does not apply in this case.

8 Administrators' Remuneration

The Joint Administrators are obliged to fix their remuneration in accordance with Rule 2.107(2) of the Insolvency (NI) Rules 1991 (as amended).

This permits remuneration to be fixed either as a percentage of the value of the property with which the Joint Administrator has to deal with or alternatively by reference to the time the Joint Administrator and their staff have spent attending to matters in this Administration.

In accordance with the Administrators Proposals dated 19 February 2015, the Company's secured creditors have approved the Administrators' remuneration on a time cost basis. I attach at Appendix III a SiP9 report summarising the time costs accrued to 24 June 2020 and indicating the work undertaken in that regard. A total of 2,004.65 hours has been spent by the Administrators and their staff, at a total cost of £283,556.00, from the date of appointment to 24 June 2020 at an average hourly rate of £141.45. Administrators' remuneration of £212,325 plus VAT has been paid, with the remaining time of £71,231 to be written off.

9 Administrators' Disbursements

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as Category 1 disbursements. I therefore report that since the date of my appointment, the sum of £7,299.83 has been drawn in respect of Category 1 disbursements in respect of statutory bonding, mileage costs, staff expenses and vacant property inspections.

Some Administrators recharge expenses for example postage, stationery, photocopying charges, telephone and fax costs, which cannot economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as Category 2 disbursements. The policy of BDO is not to charge any Category 2 disbursements.

10 EC Regulation on Insolvency Proceedings

We are required under the Insolvency Order to state whether, and if so, the extent to which EC Regulations on Insolvency Proceedings applies to this Administration. In this particular case, the aforesaid regulations will apply in respect of this Administration and these proceedings will be the main proceedings as provided by Article 3 of the EC Regulations.

11 General Data Protection Regulation ("GDPR")

This report is addressed to 'all known creditors'. Some of the creditors receiving this report may be personal creditors. Pursuant to the provision of the Data Protection Act 2018 and General Data Protection Regulation we are providing any such personal creditors with the following required information.

This report requests specific information from you so that we may carry out our statutory duties under the Insolvency Order (Northern Ireland) 1989. The data you provide us with may be shared with third parties, including but not limited to, other creditors of the

Company, the Insolvency Service, the Registrar of Companies, the Royal Courts of Justice and our legal advisors. We may also use some of the data that you provide to assess your entitlement to any dividend, should one become payable.

BDO NI's Data Protection Officer is Rhona Sittlington and is contactable at the above address. We are acting as the data controller. We will store the data requested for a period of 6 years after our appointment ceases. You have the right to access and rectify the data which we hold. You have the right to lodge a complaint with the Information Commissioner's Office.

Full details of our privacy policy may be viewed on our website at <https://www.bdoni.com/en-gb/legal-privacy/privacy-statement>.

BDO NI uses personal information in order to fulfil the statutory and legal obligations of our Insolvency Practitioners under the Insolvency Order (Northern Ireland) 1989 and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings.

You can find more information on how BDO NI uses your personal information on our website at <https://www.bdoni.com/en-gb/home>.

12 Closing

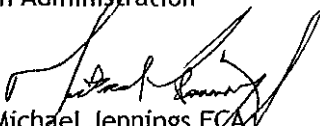
This report has been prepared for the benefit of all known creditors and represents the final correspondence to creditors within the Administration of the Company.

We note that under Paragraph 50 of Schedule B1 of the Insolvency (Northern Ireland) Order 1989, that the Joint Administrators formal proposals and objectives within the Administration have now been met.

As such, we are now seeking to move the Company from Administration to Dissolution. The Company will be formally dissolved within three months of the final report being lodged at Companies House. In addition, the Joint Administrators will be discharged from liability under the Administration per Paragraph 99 of Schedule B1 of the Insolvency (Northern Ireland) Order 1989.

I trust that you will find this to be in order. However, should you have any queries in relation to this report or require any further information, please do not hesitate to contact Kayleigh Malone of this office.

Yours faithfully
For and on behalf of
PT McWilliams Limited
In Administration



Michael Jennings FCA
Joint Administrator

Michael Jennings is authorised by Chartered Accountants Ireland to act as an Insolvency Practitioner. The affairs, business and property of the Company are being managed by the Joint Administrators who act as agents and without personal liability.

Enc

PT McWilliams Limited
(In Administration)

JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 13 FEBRUARY 2015 (DATE OF APPOINTMENT) TO 24 JUNE 2020

	Statement of affairs	From 12 February 2020 to 24 June 2020	From 13 February 2015 to 24 June 2020
	£	£	£
RECEIPTS			
Sale of Contracts	400,000.00	-	420,000.00
Freehold Land & Property	555,300.00	-	437,455.07
Bank Refunds and Compensation		-	81,400.65
HMRC VAT Refund		132.53	62,294.33
Plant & Machinery	51,150.00	-	33,000.00
Endowment Policy		-	13,788.53
Book Debtors		-	9,609.42
Insurance Refund		-	2,940.30
Electricity Refund		-	2,327.96
Motor Vehicles		-	474.41
NIE Wayleave Payments		-	10.92
VAT Payable		-	7,146.05
		<u>132.53</u>	<u>1,070,447.64</u>
PAYMENTS			
Secured Creditor Distributions		41,379.24	641,379.24
Administrator Fees		-	212,325.00
Legal Fees and Expenses		8,189.00	79,097.76
Agents Fees and Expenses		-	17,646.00
Civil Engineers Fees and Expenses		-	13,751.20
Property Rates		-	10,708.06
Administrators Disbursements		-	7,299.83
Storage Costs		-	6,059.22
Insurance		-	4,939.63
Electricity		-	4,133.80
Preferential Dividend		-	878.09
Mail Redirection		-	360.00
Bank Charges		39.12	382.90
Statutory Advertising		-	141.84
VAT Receivable		1,883.47	71,345.07
		<u>51,490.83</u>	<u>1,070,447.64</u>
Balance as at 24 June 2020			<u><u>0.00</u></u>
BDO Northern Ireland			Michael Jennings
Lindsay House			Joint Administrator
10 Callender Street			24 June 2020
Belfast			
BT1 5BN			

Summary of Time Spent for the Period 13 February 2015 to 24 June 2020

DESCRIPTION	PARTNER/ DIRECTOR		MANAGER		ADMINISTRATOR		GRAND TOTAL		AVERAGE RATE
	Hours	Total £	Hours	Total £	Hours	Total £	Hours	Total £	£
A. Pre Appointment Matters	-	-	13.00	2,210.00	1.50	45.00	14.50	2,255.00	155.52
B. Steps On Appointment	-	-	14.50	1,627.50	20.90	627.00	35.40	2,254.50	63.69
C. Planning & Strategy	-	-	58.20	8,396.50	16.75	527.00	74.95	8,923.50	119.06
D. General Administration	19.50	5,970.00	165.65	20,863.00	361.85	11,307.00	547.00	38,140.00	69.73
E. Assets Realisation/Dealing	573.75	149,380.00	247.05	37,328.50	76.80	3,581.00	897.60	190,289.50	212.00
F. Employee Matters	-	-	21.95	2,646.00	12.90	714.00	34.85	3,360.00	96.41
G. Creditor Claims	-	-	46.15	5,538.00	65.82	1,804.90	111.97	7,342.90	65.58
H. Reporting	54.75	11,410.00	84.10	10,818.00	121.03	4,247.10	259.88	26,475.10	101.87
I. Distribution & Closure	21.75	4,350.00	-	-	6.75	165.50	28.50	4,515.50	158.44
	669.75	171,110.00	650.60	89,427.50	684.30	23,018.50	2,004.65	283,556.00	141.45

Maximum hourly rates charged for each level of staff are as follows:

- Partner	£300
- Director	£200
- Senior Manager	£170
- Manager	£150
- Assistant Manager	£120
- Administrators	£20 - £70

Standard Activity

Examples of Work

- The time spent on Pre Appointment matters includes the following - Review of M8 Contract to maximise Asset realisations
- The time spent on Steps on Appointment includes the following:
 - Completion of independence documentation & conflict checks
 - Attendance at premises
 - Consultation with employees
 - Bonding and insurance
 - Initial correspondence with debtors, creditors
- The time spent on Planning & Strategy includes the following:
 - Correspondence with solicitors
 - Reviewing appointment documents
 - Review of options available
 - Strategy planning
- The time spent on General Administration includes the following:
 - Statutory matters
 - Specific Insurance matters
 - General administration and correspondence
- The time spent on Asset Realisations include the following:
 - Discussions and advice on sale of company assets
 - Obtaining valuations of company assets
- The time spent on Employee Matters includes the following:
 - Dealing with all redundancy matters
 - Liaising with Redundancy Payments Service
- The time spent on Creditors includes the following:
 - correspondence with creditors
 - recording creditor claims
- The time spent on Reporting includes the following:
 - Drafting the Administrator's proposals
 - Preparation and submission of DDU report
 - Drafting the Reports to Creditors
- The time spend on Distribution & Closure includes the following:
 - Final Tax Return
 - EOS for closure
 - Final Payments