

2.24B

The Insolvency (Northern Ireland) Order 1989

Administrator's progress report

Name of Company

P.W. Homes Limited

Company number

NI037945

In the High Court of Justice in Northern Ireland
Chancery Division (Company Insolvency)Court case number
9806 of 2012(a) Insert full
name(s) and
address(es) of
administrator(s)I (a)
Peter Michael Allen
Deloitte (NI) Limited
19 Bedford Street
Belfast
BT2 7EJ

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

From

To

(b) Insert date

(b) 10 May 2020

(b) 9 November 2020

Signed


Administrator

Dated

23 November 2020

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies Registry 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

Peter Michael Allen
Deloitte (NI) Limited
19 Bedford Street
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DX Exchange

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



Court Case No. 9806 of 2012
High Court of Justice in Northern
Ireland (Chancery Division)
Company Number: NI037945

P.W. Homes Ltd (in Administration) (“the Company”)

Registered office: 19 Bedford Street, Belfast, BT2 7EJ

Progress report to creditors for the period 10 May 2020 to 9 November 2020 pursuant to Rule 2.048 of the Insolvency Rules (Northern Ireland) 1991 (as amended) (“the Rules”).

Peter Michael Allen and John Charles Reid (“the Joint Administrators”) were appointed Joint Administrators of P. W. Homes Limited on 10 May 2012 by Ulster Bank Limited, 11-16 Donegall Square East, Belfast, BT1 5UB. Subsequently, an Order was granted by the High Court on 21 January 2016 to discharge and release John Charles Reid as Joint Administrator of P. W. Homes Limited in Administration. Peter Michael Allen remains sole Administrator from 21 January 2016. The affairs, business and property of the Company are managed by the Administrator. The Administrator acts as agent of the Company only and contracts without personal liability. The licensed Insolvency Practitioner of Deloitte (NI) Limited (“Deloitte”) is licensed in the UK to act as an Insolvency Practitioner by the Institute of Chartered Accountants of Scotland. The Administrator is bound by the Insolvency Code of Ethics which can be found at <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

paragraph 101(2) of Schedule B1 of the Insolvency (Northern Ireland) Order 1989 (as amended) (“the Order”), the Administrator confirms that, during the period of Joint Administration, the Joint Administrators were authorised

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Contacts

Administrator of the Company

Peter Michael Allen

Address of the Company

c/o Deloitte (NI) Limited

19 Bedford Street

Belfast

BT2 7EJ

Contact Details

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Key Messages

Commentary	
Purpose of administration	<ul style="list-style-type: none">The purpose of the Administration is to make a distribution to the secured and/or preferential creditors.
Progress of administration	<ul style="list-style-type: none">Due to the ongoing COVID-19 pandemic, progression on the outstanding issues has been slower than anticipated. Further detail is provided on page 5.
Costs	<ul style="list-style-type: none">The basis of the Administrator's remuneration has been fixed by reference to the time costs incurred by the Administrator and his staff.The Administrator's time costs incurred during the report period are £16,697.20.The Administrator has drawn fees totalling £48,677 and €6,250 (equivalent to £5,650) to date. Further detail is provided on pages 8 to 12.
Outstanding matters	<ul style="list-style-type: none">To realise value in the remaining assets, complete the road bond works and resolve any outstanding property matters.To make final distributions to the Secured Creditor, under the terms of its security.To dispense costs and close the Administration.
Dividend prospects	<ul style="list-style-type: none">Promontoria (Aran) Limited ("the Secured Creditor") will not be paid in full.There will be insufficient funds to pay a dividend to any preferential creditors.There will be insufficient funds to pay a dividend to unsecured creditors.
Extension to administration period	<ul style="list-style-type: none">The Administration was due to end on 6 November 2020 following the last extension granted by the High Court of Justice, Chancery Division. Following a hearing at the High Court, the Administration has been extended and will now end on or before 6 November 2021. Further detail is provided on page 7.

Progress of the Administration Summary

Progress of the administration

Carrigallen Road (Druminshingore), Newtowngore, County Leitrim

Detail in relation to this property and the completed sales process was provided in the last progress report. During the period, the Administrator's solicitor paid the outstanding costs and distributed the remaining net funds, in the sum of €32,410, to the Secured Creditor. As this was technically a mortgagee-in-possession sale, the Secured Creditor accounted for the VAT element to the Irish Revenue.

Residential Site at Forest Park Development, Killygordon Village, Lifford

The site has planning permission for 25 units. The Company has an equitable interest only in this site as the stamp duty liability was not paid following the purchase of the interest by the Company in 2007.

Site at Townspark, East Tallow, County Waterford

The property is a greenfield site with planning permission for 75 units. The Company has an equitable interest only in this property as the stamp duty was not paid following the purchase of the interest by the Company in 2008.

As previously reported, a strategy to resolve the outstanding issues on both sites was agreed with the Secured Creditor, involving the appointment of a receiver over the legal interest in the site under a charge granted at the time of the sale of the beneficial interest, and thereafter to effect a sale of both the legal and beneficial interests to a purchaser.

Progression of this strategy is in the hands of the Secured Creditor, as it holds the relevant charges and holds the power to appoint. The Administrator has requested that the Secured Creditor seeks legal advice on the process, the nature of any sales, and whether the Administration needs to be in place for the Secured Creditor to appoint a receiver.

This request was made on the basis that there may be an opportunity for the Administration to be closed once the road bond works, as detailed below, are completed. Unfortunately, due to current restrictions as a result of the COVID-19 pandemic, implementation of any strategy is likely to be delayed. The Administrator has requested an update from the Secured Creditor.

Road bond

As creditors are aware from previous reports, the contractor has substantially completed the work necessary to release the road bond, including internal below ground NI water defects; but, in order to fully complete it, the contractor needs agreement from the Rivers Agency in relation to working on land outside the site boundaries. The contractor continues to pursue this with the relevant authorities.

The Administrator is also dealing with a separate matter on land in the housing development connected to the road bond, where remedial work may be required for environmental reasons. The Administrator has sought legal advice on this matter.

Statutory tasks

In addition to implementation of the strategy to deal with the remaining issues and managing the road bond works, during the reporting period the following tasks were carried out, which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Statutory reporting;
- Completion of UK and ROI VAT returns; and
- Case reviews and cashiering functions.

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors. These tasks will also be required to be carried out in future periods.

Progress of the Administration

Receipts and payments

10 May 2020 to 9 November 2020

£	SoA values	Notes	Period	To date
Receipts				
Bank Interest Gross	-		-	320.43
11 Cloghboy Road	-		-	80,000.00
8.4 Acres Cloghboy Road, Bready	-		-	115,000.00
47 Elmwood Green, Castlederg	-		-	49,000.00
59 Elmwood Green, Castlederg	-		-	60,000.00
42 Duninalong Manor, Bready	-		-	68,650.00
Site at Berryhill Road, Artigarvan	-		-	40,000.00
Site/property in Leitrim	-	See notes	-	-
Rent- Duninalong	-		-	3,187.20
Funds from Ulster Bank, Secured Creditor	-		-	23,765.46
Refund - foreign exchange difference	-		-	157.43
Insurance refunds	-		371.26	371.26
VAT refund	-		3,000.46	3,000.46
Total receipts	<u>1,022,258</u>		3,371.72	443,452.24
Payments				
Bank Charges (Fixed)			-	71.93
Administrators disbursements			-	10,098.08
Management fees			-	1,423.60
Architect Fees			-	2,000.00
Administrators' Fee			-	48,677.19
Distribution to Ulster Bank			-	318,921.50
Transfer Map Duninalong Manor, Bready			-	750.00
Outlay Re: Elmwood Green, Strabane			-	6,789.20
Management Fee re. Duninalong			-	482.97
Retention of monies re: easement Cloughboy			-	4,630.00
Outlays - Duninalong Manor			-	678.00
Outlays - Cloughboy Road			-	7,235.00
Agents Fees			-	13,257.15
Legal Fees (NI)			-	13,064.39
Legal Fees and Outlay (ROI)			-	4,758.91
Insurance of Assets - (ROI assets)			-	6,298.01
Deloitte Tax Advice			-	798.23
Insurance (NI Assets)			-	146.36
Total payments			-	440,080.52
Balance				3,371.72
Made up of:				
Fixed Current A/C				3,371.72
Balance in hand				3,371.72

A receipts and payments account is provided opposite, detailing the transactions in period 10 May 2020 to 9 November 2020, together with the totals for the Administration to date.

Notes to receipts and payments account

The receipts and payments account has been prepared on a cash basis and excludes a number of costs which have been incurred but which have not yet been paid. These include (inclusive of VAT at the applicable rate):

- Legal costs for extensions of £2,619; and
- Insurance costs of c.€4,800.
- Administrator's remuneration and expenses. Further information on these costs is provided on pages 8 to 12.

Reconciliation of sales proceeds as distributed by the solicitors as this was a mortgagee-in-possession sale:

	Euro €
Realisations	
Freehold Property	72,000.00
	72,000.00
Costs	
Agent Fees	650.00
Auction and Sales Fee	2,500.00
Administrator Fee	6,250.00
Council tax and planning costs	14,966.68
Legal costs	5,661.79
Insurance	6,096.61
Distribution to Secured Creditor	32,410.71
VAT	3,464.21
	72,000.00

Information for creditors

Outcome

Secured Creditor

The Secured Creditor was formerly Ulster Bank Limited and is now Promontoria (Aran) Limited, an affiliate of Cerberus Global Investors.

The Company had debts at the date of the Administration of £4,052,775 and €4,179,091.

Distributions totalling £318,922 and €32,411 have been made to the Secured Creditor since the date of appointment, under the fixed charges attached to the various properties realised. Further distributions will be made if applicable.

It is not anticipated that there will be sufficient asset realisations to repay the Secured Creditor in full.

Preferential creditors

To date, one claim has been received relating to an employee entitlement. This claim was reviewed by the Redundancy Payments Office and was admitted by them to the value of £523.

Unsecured creditors

According to the Director's Statement of Affairs, amounts due to unsecured creditors total £75,250. Creditor claims received to date total £17,506.21. On present information, insufficient funds will be realised to enable a dividend to be paid to unsecured creditors.

Extensions to the Administration

Following the most recent extension to the Administration, granted by the High Court of Justice, Chancery Division, the Administration was due to end on 6 November 2020.

In order to complete the outstanding matters, an application was made to the High Court to extend the period of the Administration by 12 months to 6 November 2021 under Para 77(2)(b) and Para 79(2) of the Insolvency (Northern Ireland) Order 1989. At a hearing, this request was granted and the Administration is now due to end on 6 November 2021.

Exit

After realising all assets, it is anticipated that there will be insufficient realisations in order for the Secured Creditor to be repaid in full. Furthermore a distribution to unsecured creditors is unlikely.

The Administrator considers that dissolution will be the most appropriate exit route from administration.

Remuneration and expenses

Administrator's remuneration

Administrator's remuneration

"A Creditors' Guide to Remuneration" is available upon request in writing to the Administrator at the address on page 3 and this will be provided to you at no cost.

Basis of remuneration

The basis of the Administrator's remuneration was fixed on 11 April 2013 by Ulster Bank, the secured creditor at the time, by reference to the time properly given by the Administrator and his staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT.

Time costs incurred

The Administrator's time costs for the period are £16,697.20, made up of 61.00 hours at an average charge out rate of £273.72/hour across all grades of staff.

Since the date of appointment to 9 November 2020, the Administrator has incurred total time costs of £225,307.20, made up of 668.09 hours at an average charge out rate of £337.24/hour across all grades of staff.

The Administrator has drawn remuneration totalling £48,677.19 and €6,250 to date, as shown in the receipts and payments account and associated notes on page 6.

Details of time costs incurred, together with an explanation of the work undertaken and charge out rates is provided on pages 9 to 12. Creditors may request a detailed breakdown of the time costs incurred by writing to the address at the front of this report.

Please note that the Administrator does not intend to draw the full value of time costs incurred and the balance of unrecovered time costs will be written off.

Administrator's time costs for the period 10 May 2020 to 9 November 2020

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	0.35	166.80	-	-	-	-	1.35	80.80	1.70	247.60	145.65
Case Management and Closure	-	-	-	-	-	-	-	-	-	-	-	-	-
General Reporting	1.00	708.00	3.50	1,288.00	-	-	-	-	23.00	4,148.00	27.50	6,144.00	223.42
	1.00	708.00	3.85	1,454.80	-	-	-	-	24.35	4,228.80	29.20	6,391.60	218.89
Investigations													
	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading													
	-	-	-	-	-	-	-	-	-	-	-	-	-
Realisation of Assets													
Property - Freehold and Leasehold	2.00	1,620.00	12.80	5,523.60	-	-	-	-	8.00	1,176.00	22.80	8,319.60	364.89
	2.00	1,620.00	12.80	5,523.60	-	-	-	-	8.00	1,176.00	22.80	8,319.60	364.89
Creditors													
Secured	-	-	1.50	552.00	-	-	-	-	3.50	514.50	5.00	1,066.50	213.30
	-	-	1.50	552.00	-	-	-	-	3.50	514.50	5.00	1,066.50	213.30
Case Specific Matters													
VAT	-	-	1.50	552.00	-	-	-	-	2.50	367.50	4.00	919.50	229.88
	-	-	1.50	552.00	-	-	-	-	2.50	367.50	4.00	919.50	229.88
TOTAL HOURS & COST	3.00	2,328.00	19.65	8,082.40	-	-	-	-	38.35	6,286.80	61.00	16,697.20	273.72
AVERAGE RATE/HOUR PER GRADE		£ 776.00		£ 411.32		-		-		£ 163.93			
FEES DRAWN												5,650.00	

* Fees drawn include Sterling equivalent of Euro invoice

Administrator's time costs for the period 10 May 2012 to 9 November 2020

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	0.40	340.00	3.45	1,688.80	8.95	3,922.75	14.65	5,356.25	21.60	4,562.05	49.05	15,869.85	323.54
Case Management and Closure	18.25	10,576.25	47.60	21,922.20	14.95	5,966.25	21.85	6,450.50	26.09	5,759.50	128.74	50,674.70	393.62
Initial Actions	-	-	-	-	-	-	13.30	3,923.50	0.25	52.50	13.55	3,976.00	293.43
General Reporting	6.50	3,514.25	30.60	12,349.50	49.85	15,163.85	34.30	10,131.00	42.85	7,346.50	164.10	48,505.10	295.58
	25.15	14,430.50	81.65	35,960.50	73.75	25,052.85	84.10	25,861.25	90.79	17,720.55	355.44	119,025.65	334.87
Investigations													
Reports on Directors' Conduct	-	-	-	-	-	-	5.40	1,690.00	-	-	5.40	1,690.00	312.96
	-	-	-	-	-	-	5.40	1,690.00	-	-	5.40	1,690.00	312.96
Trading													
Day 1 Control of Trading	-	-	-	-	3.00	1,170.00	-	-	-	-	3.00	1,170.00	390.00
	-	-	-	-	3.00	1,170.00	-	-	-	-	3.00	1,170.00	390.00
Realisation of Assets													
Property - Freehold and Leasehold	3.00	2,145.00	31.70	13,200.60	88.90	33,633.60	29.50	8,378.00	29.80	3,871.00	182.90	61,228.20	334.76
	3.00	2,145.00	31.70	13,200.60	88.90	33,633.60	29.50	8,378.00	29.80	3,871.00	182.90	61,228.20	334.76
Creditors													
Employees	-	-	0.10	46.50	-	-	-	-	3.80	779.00	3.90	825.50	211.67
Secured	7.00	4,135.00	15.95	7,234.50	30.70	11,330.30	29.00	9,265.00	3.50	514.50	86.15	32,479.30	377.01
Unsecured	-	-	-	-	0.50	175.00	-	-	4.10	829.50	4.60	1,004.50	218.37
	7.00	4,135.00	16.05	7,281.00	31.20	11,505.30	29.00	9,265.00	11.40	2,123.00	94.65	34,309.30	362.49
Case Specific Matters													
VAT	-	-	4.15	1,673.80	2.95	907.25	9.40	2,925.50	2.50	367.50	19.00	5,874.05	309.16
Tax	-	-	-	-	3.30	976.00	3.90	929.00	0.50	105.00	7.70	2,010.00	261.04
	-	-	4.15	1,673.80	6.25	1,883.25	13.30	3,854.50	3.00	472.50	26.70	7,884.05	295.28
TOTAL HOURS & COST	35.15	20,710.50	133.55	58,115.90	203.10	73,245.00	161.30	49,048.75	134.99	24,187.05	668.09	225,307.20	337.24
AVERAGE RATE/HOUR PER GRADE		£ 589.20		£ 435.16		£ 360.64		£ 304.08		£ 179.18			
FEES DRAWN												54,372.00	

* Fees drawn include Sterling equivalent of Euro invoice

Remuneration and expenses

Detailed information

Administrator's time costs – work undertaken

A detailed breakdown of the time costs incurred by the Administrator and his staff during the period from 10 May 2020 to 9 November 2020. Time is charged in six minute increments. The work undertaken has been categorised into the following task headings:

Administration and planning

- Statutory reporting and compliance, correspondence and cashiering functions.

Realisation of Assets

- Liaison and discussions with the Secured Creditor and legal advisers in relation specifically to the ROI property strategies and implementation of those strategies, as described in more detail earlier in this report;
- Dealing with the environmental issues on a historically developed Company site; and
- Discussions with the contractor in relation to the road bond works.

Creditors

- Discussions and updates with the Secured Creditor; and
- Agreeing the costs and distribution to the Secured Creditor

Case specific matters

- VAT reclaims; and
- Corporation tax returns.

Charge out rates

Grade	From 01/02/2016 to 06/09/2020 £	From 07/09/2020 £
Partner	600	810
Director	600	630
Associate Director	425	520
Manager	325	430
Assistant Manager	250	340
Associate 4 / Senior	150	270
Associate 3	150	180
Analyst 2	150	160
Analyst 1	150	140
Chargeable Admin	150	90

Set out above are the relevant maximum charge-out rates per hour for the period covered by this report. In common with all professional firms, scale rates can increase over the period of an insolvency case. Charge-out rates were increased on 7 September 2020. The average charge-out rates applicable to this case are provided in the final column of the table on the two preceding pages.

The above bands are specific to the Restructuring Services department partners and staff. In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Financial Advisory or Deloitte Real Estate may be required on the case. These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands. No specialist tax staff charged time in the period of this report. Historically, other specialists have been involved in the case.

Remuneration and expenses

Detailed information

Expenses

Category 1 expenses

£ (net)	Value	Paid	Unpaid
Statutory advertising	237	237	-
Bonding	30	30	-
Insurance	669	669	-
Legal	7,998	5,762	2,236
Accountancy Services - PFS & Partners	980	980	-
Professional Tax Advice - Deloitte (Irl)	2,340	2,340	-
Total expenses	12,254	10,018	2,236

The Administrator's direct expenses and disbursements incurred to date (excluding VAT) are set out above. The increase in legal fees is in relation to the cost of the most recent extension application. Please note that, at the time that the tax advice fees were paid, Deloitte (Irl) was a separate legal entity to that of the Joint Administrators.

Category 2 expenses incurred

£ (net)	Value	Paid	Unpaid
Mileage	80	80	-
Total expenses	80	80	-

These are costs and expenses initially paid by Deloitte and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can be drawn from the administration estate.

The Administrator has obtained approval from the Secured Creditor to draw both category 1 and category 2 expenses from the estate. Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage was incurred.

Legal and other professional firms

During the Administration, the following professional firms have been used based on their experience and fixed fees were agreed with each:

- Legal advisers – John McKee & Sons, Gartlan Furey (ROI), O'Brien Lynam (ROI) and A&L Goodbody
- Property Agents - Bensons
- Architects – Dalzell and Campbell
- Tax advisers – Deloitte (Ireland) * see earlier note

Creditors' claim that remuneration is excessive

Any creditor with the support of at least 25% in value of the creditors (including himself) may apply to the Court for an order that our remuneration be reduced, on the grounds that it is, in all the circumstances, excessive (in accordance with Rule 2.110 of the Rules).

On receipt of such an application, the Court will either dismiss the application giving 7 days notice to the applicant, or set a hearing date. We should be given at least 14 days notice of any such hearing by the applicant.



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