

The Insolvency (Northern Ireland) Order 1989

**Notice of Move from Administration
to Creditors' Voluntary Liquidation****2.34B**

Name of Company Dixons Contractors Limited (In Administration)	Company number NI050218
In the High Court of Justice in Northern Ireland Chancery Division (Company Insolvency)	Court case number 2019/24548

(a) Insert name(s) and address(es) of administrator(s) I / We (a) Andrew Dolliver and Joseph Luke Charleton
Ernst & Young LLP, Bedford House, 16 Bedford Street, Belfast

(b) Insert name of company and address of registered office having been appointed administrator(s) of (b) Dixons Contractors Limited
c/o EY, Bedford House, 16 Bedford Street, Belfast, BT2 7DT ("the company")

(c) Insert date of appointment on (c) 30 May 2019 by (d) Bank of Ireland (UK) Plc
 (d) Insert name of applicant / appointor hereby give notice that:

the provisions of paragraph 84(1) of Schedule B1 to the Insolvency (Northern Ireland) Order 1989 apply,

(e) Insert name(s) and address(es) of liquidator(s) and it is proposed that (e) Andrew Dolliver and Joseph Luke Charleton
Ernst & Young LLP, Bedford House, 16 Bedford Street, Belfast

will be the liquidator(s) of the company (IP No(s)) 15230 & 12910

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

Signed 

Joint / Administrator(s)

Dated 30 April 2020

MONDAY



JNI *J94DE71U* #23
04/05/2020
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 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

Liam Morrow	
Ernst & Young LLP, Bedford House, 16 Bedford Street, Belfast	
	Tel: 028 9044 1459

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



Ernst & Young LLP
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BT2 7DT

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ey.com

TO ALL KNOWN CREDITORS

30 April 2020

Ref: AD/LM/GS
Direct Line: 028 9044 1721
Direct Fax: 028 9044 3501
Gillian Stirling
GStirling@uk.ey.com

Dear Sirs

Dixons Contractors Limited (In Administration) ("the Company")

High Court of Justice in Northern Ireland Chancery Division, Number 2019/24548

Registered office address: EY, Bedford House, 16 Bedford Street, Belfast, Northern Ireland, BT2 7DT

I write in accordance with Rule 2.118 of the Insolvency (Northern Ireland) Rules 1991 to provide you with a final report on the progress of the Administration. This report covers the period from 30 November 2019 to 29 April 2020 and should be read in conjunction with the Joint Administrators' statement of proposals dated 22 July 2019 and progress report dated 19 December 2019.

Dixons Contractors Limited, registered number NI050218, entered Administration on 30 May 2019 and Joseph Luke Charleton and I of Ernst & Young were appointed to act as Joint Administrators. The appointment was made by Bank of Ireland (UK) Plc under the provisions of paragraph 15 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989.

As Joint Administrators and Insolvency Practitioners, Joseph Luke Charleton and I are bound by the Insolvency code of ethics when carrying out all professional work relating to an insolvency appointment.

Extensions to the Initial Period of Appointment

The Administration will not require an extension beyond the initial period.

Summary of Progress since the Administrators' Statement of Proposals

On 22 July 2019, the Administrators sent their proposals to all creditors in respect of the Company. At that time, the Administrators believed that there would be funds available to enable a distribution to unsecured creditors. By virtue of Paragraph 52(1) of Schedule B1 of the Insolvency (Northern Ireland) Order 1989, the Administrators convened a creditors meeting on 6 August 2019. At that meeting, a creditors' committee was formed with five members and the proposals were approved. A meeting of the committee members was subsequently held to assist with decisions regarding asset realisations.

There have been no amendments to, or deviations from the original proposals.

Summary of Progress since the Progress Report dated 19 December 2019

Asset Realisations

***Property* Realised to Date: £945,000**

The two property assets held by the Company have been sold.

Mountpottinger had already been sale agreed for £440k. On appointment, we obtained a valuation range of £375k to £425k from a local agent which supported the sale. The purchaser subsequently reduced their offer and therefore we commenced an open market sale process. The sale completed for £450k on 12 December 2019 to a third party purchaser.

Park Avenue was a more complex asset as a Development Agreement was in place with a third party on appointment. This agreement became unconditional once planning permission on part of the site was approved. GHS Holdings Limited ("GHS") held a £400k fixed charge over this asset and our agent valued the development at £450k on the basis of full planning permission being in place. The asset was sold on 9 March 2020 for £495k to a connected party, Latner 10 Developments Limited. The fixed charge with GHS was also effectively transferred as part of the sale, meaning the transaction value to the Company was c.£945k. Having consulted the creditors' committee, this sale was deemed the best outcome for creditors as a whole.

***Chattel Assets* Realised to Date: £432,979**

The majority of chattel assets were sold via auction shortly after appointment as detailed in our proposals. The remaining chattel assets comprised of office equipment valued at £1k and were sold along with intellectual property for £14,250 to a connected party, Homesure Property Management Limited ("Homesure"), after consultation with the creditors' committee.

***Debtors and WIP* Realised to Date: £38,839**

Since the last progress report, debtor balances totalling £4,765 have been collected by the Joint Administrators directly.

After consulting with the creditors' committee, a debtor collection agency agreement was executed on 23 January 2020 with a connected party for a period of 12 months. In accordance with the agreement, the agent has the authority to procure the collection of debt from non related parties whereby all funds are received into the Administration account. The agent receives remuneration based on a percentage of debt collected. The agreement is subject to a minimum of £125k being due to the Company and at the end of the collection period, the remaining uncollected contracts within the agreement will be novated to the agent. To date, debtor balances totalling £21,799 have been collected by way of this agreement.

A review of the collection of related party debtors is ongoing.

Receipts and Payments Account

I enclose a receipts and payments account for the period 30 May 2019 to 29 April 2020 at Appendix 1.

Joint Administrators' Remuneration and Disbursements

The statutory provisions relating to remuneration are set out in 2.107 of the Insolvency Rules (Northern Ireland) 1991. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Insolvency Practitioners Association at <http://www.insolvency-practitioners.org.uk> (follow 'Regulation and Guidance' then 'Creditors' Guides to Fees' then 'Administrators Fees (November 2011)'), or is available in hard copy upon written request to the Joint Administrators.

The Administrators' remuneration was fixed on a time-cost basis up to a maximum of £200k for matters in scope by a resolution passed by the creditors' committee.

Since appointment, the Administrators have incurred time costs of £275,717.99, of which £180,000 has been paid to date. An analysis of the time spent is attached as Appendix 2 to this report. At Appendix 3 there is a statement of the Administrators' policy in relation to charging time and disbursements. No disbursements have been drawn to date.

Secured Creditor

Distributions totalling £715,303 have been made to the secured lender in full and final settlement of their debt.

Preferential Creditors

The Redundancy Payments Service have provided their claim of £71,629 for employees' salaries, holiday pay and pension contributions. It is the Administrators' intentions to pay this once the Company has moved to Liquidation.

Non-preferential Creditors

Claims from non-preferential creditors continue to be submitted. Total non-preferential claims received to date total £5,628,541 and will be formally reviewed as part of the final dividend process in the Liquidation.

If you have not already submitted a claim, please complete the enclosed proof of debt form and send it to EY, Bedford House, 16 Bedford Street, Belfast BT2 7DT or email it to dixonscontractors@uk.ey.com along with all supporting documents marked for the attention of Gillian Stirling.

The Prescribed Part

The prescribed part is a proportion of floating charge assets set aside for unsecured creditors pursuant to Article 150A of the Insolvency (Northern Ireland) Order 1989. The prescribed part applies to floating charges created on or after 27 March 2006.

The secured lender's floating charge was created prior to 27 March 2006. Consequently, Article 150A of the Insolvency (Northern Ireland) Order 1989 does not apply to this Administration and there is no prescribed part to be set aside for unsecured creditors.

Distributions to Creditors

It is currently estimated there will be a surplus in the region of c.£230,000 available for unsecured creditors. In order to make this distribution to unsecured creditors, the Company will need to be moved to Liquidation pursuant to paragraph 84 of Schedule B1 to the Insolvency (Northern Ireland) Order 1989. The distribution will occur at the earlier of the conclusion of the debtor collection agency agreement (expected January 2021) unless an earlier alternative agreement is obtained with the agent.

Future conduct of the Administration

As there are no other issues outstanding, the Joint Administrators are now ending the Administration and in accordance with the approved proposals, are moving the Company into Creditors' Voluntary Liquidation to enable any distributions to be made.

Should you have any queries, please do not hesitate to contact my colleague Gillian Stirling on dixonscontractors@uk.ey.com.

Yours faithfully
for the Company



A Dolliver
Joint Administrator

Enc: Joint Administrators' Receipts and Payments Account
 Summary of Joint Administrators' Time-Costs and Category 2 Disbursements
 Joint Administrators' Policy on Fees and Disbursements
 Form 2.34B
 Proof of Debt Form

Andrew Dolliver is licensed in the United Kingdom to act as an insolvency practitioner by The Insolvency Practitioners Association and Joseph L Charleton is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants of Scotland. The affairs, business and property of the Company are being managed by the Joint Administrators, A Dolliver and J L Charleton, who act as agents of the Company only and without personal liability. The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice is enclosed and can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

Dixons Contractors Limited (In Administration)

Joint Administrators' Abstract of Receipts and Payments

For the Period 30 May 2019 to 29 April 2020

Estimated to Realise as per Directors' Statement of Affairs		30 May 2019 - 29 November 2019	30 November 2019 - 29 April 2020	Total
£	RECEIPTS	£	£	£
-	Funds Introduced by Secured Lender	10,000	-	10,000
400,000	Property	-	945,000	945,000
190,000	Plant & Machinery	238,750	-	238,750
110,000	Motor Vehicles	179,929	-	179,929
-	Office Equipment & Intellectual Property	-	14,250	14,250
1,000,000	Debtors	12,275	26,564	38,839
-	Contracts	20,000	-	20,000
-	Stock	50	-	50
-	Bank Interest	229	195	424
-	Flt Vat Payable	86,565	2,850	89,415
1,700,000		547,799	988,858	1,536,657
	PAYMENTS	£	£	£
	Employment Costs	34,691	-	34,691
	HP Creditors	109,244	-	109,244
	Administrators' Fees	-	180,000	180,000
	Agents Fees	12,462	12,296	24,758
	Agent Agreement Remuneration	-	10,899	10,899
	Legal Fees	4,000	49,077	53,077
	Professional Fees	9,880	21,500	31,380
	Insurance	-	3,162	3,162
	Storage Charges	10,775	-	10,775
	Property Expenses	-	140	140
	Telephone, IT & Internet	4,471	632	5,104
	Utilities	532	330	862
	Statutory Costs	258	-	258
	Bank Charges	33	3	36
	Distribution to Secured Creditor	257,500	457,803	715,303
	Flt Vat Receivable	8,479	52,456	60,935
	Flt Vat Paid	77,455	505	77,960
		529,782	788,804	1,318,585
	Cash in Bank	18,017	200,055	218,071

Appendix 2

Dixons Contractors Limited (In Administration)

Joint Administrators' Time-Costs and Category 1 Disbursements

For the Period 30 May 2019 to 29 April 2020

Classification of work function	Partner/ Director	Assistant Director	Manager	Executive	Assistants	Total hours	Time Cost (£)	Average Hourly Rate (£)
Accounting and Administration	9.80	35.80	2.00	142.50	40.50	230.60	45,069.78	195.45
Employee Matters	7.90	10.40	-	110.40	4.70	133.40	27,623.72	207.07
Creditors	13.50	21.40	-	150.70	46.70	232.30	43,247.52	186.17
Immediate Tasks	28.00	43.10	-	38.90	1.50	111.50	33,820.71	303.32
Property	12.60	85.10	-	76.80	11.50	186.00	48,472.65	260.61
Other Assets (Mandatory)	11.30	39.30	-	95.70	19.50	165.80	36,662.19	221.12
Investigation / CDDA	5.90	12.60	-	31.70	-	50.20	12,636.49	251.72
Retention of Title	1.40	3.90	-	10.80	2.30	18.40	4,020.12	218.48
Legal Issues	8.80	20.50	-	24.60	-	53.90	15,201.89	282.04
VAT & Taxation	1.20	12.80	-	19.50	12.00	45.50	8,962.91	196.99
Total	100.40	284.90	2.00	701.60	138.70	1,227.60	275,717.99	
Total Time Costs (£)	44,034.28	94,173.35	510.00	130,225.55	6,774.82	275,717.99		
Average Hourly rate	438.59	330.55	255.00	185.61	48.85	224.60		

Current fee rates	£
Partner	410 - 492
Director	345 - 404
Assistant Director	290 - 348
Senior Executive/ Manager	223 - 267
Executive	168 - 201
Accounting & Treasury	45 - 81

Please note that the above reflects between a 40-50% reduction on our standard rates

Category 1 Disbursements	£
Bonding	775.00
Travel, accommodation & subsistence	222.02
Ground Transportation	198.00
	1,195.02

Appendix 3

Dixons Contractors Limited (In Administration)

Office Holders' Charging Policy for Fees

The secured creditor has determined that the Administrators' remuneration should be fixed on the basis of time properly spent by the Administrators and their staff in attending to matters arising in the Administration.

The 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 diaries. Work carried out by all staff is subject to the overall supervision of the 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 Appendix 2, as are the current hourly rates used. The current hourly rates may be higher than the average rates, if hourly rates have increased over the period covered by this report.

Office Holders' Charging Policy for Disbursements

Statement of Insolvency Practice No. 9 (Northern Ireland) ("SIP 9A") published by the Joint Insolvency Committee 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 approval from the Committee. In line with SIP 9A, it is our policy to disclose such disbursements drawn but not to seek approval for their payment.

Category 2 disbursements comprise payments made by the office holders' firm which include elements of shared or overhead costs. Such disbursements are subject to approval from the secured creditor 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 Insolvency (Northern Ireland) Order 1989
Administration Proof of Debt (Rule 2.73)**

Convocatoria para la presentación de créditos. Plazos aplicables
Výzva k přihlášení pohledávky. Závazné lhůty
Opfordring til anmeldelse af fordringer. Vær opmærksom på fristerne
Aufforderung zur Anmeldung einer Forderung. Etwaige Fristen beachten!
Nõude esitamise kutse. Järgitavad tähtajad
Πρόσκληση για αναγγελία απαιτήσεως. Προσοχή στις προθεσμίες
Invitation to lodge a claim. Time limits to be observed
Invitation à produire une créance. Délais à respecter
Invito all'insinuazione di un credito. Termine da osservare
Uzaicinājums iesniegt prasījumu. Termiņi, kas jāievēro
Kvietimas pateikti reikalavimą. Privalomieji terminai
Felhívás követelés bejelentésére. Betartandó határidők
Stedina għal preżentazzjoni ta' talba. Limiti taż-żmien li għandhom jiġu osservati
Oproep tot indiening van schuldvoorderingen. In acht te nemen termijnen
Wezwanie do zgłoszenia wierzytelności. Przestrzegać terminów
Aviso de reclamação de créditos. Prazos legais a observar
Výzva na přihlásenie pohľadávky. Je potrebné dodržať stanovené termíny
Poziv k prijavi terjatve. Roki, ki jih je treba upoštevati!
Kehotus saatavan ilmoittamiseen. Noudatettavat määräajat
Anmodan att anmäla fordran. Tidsfrister att iaktta

Dixons Contractors Ltd (In Administration)

Date of Administration: 30 May 2019

Please refer to the notes at the end of this form.

Name of Creditor

Address

Total amount of claim as at 30 May 2019

Less: any payments made to you after 30 May 2019 in
respect of the claim

Less: any adjustments for set off in accordance with Rule 2.85

Net claim after deductions

Amount of any outstanding uncapitalised interest included in claim

Amount of any VAT included in claim

Is the whole or any part of your claim preferential, within the meaning
of section 386, schedule 6, of the Insolvency Act 1986? If so, into
which category of debt does it fall?

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Continued on next page

Particulars of how and when the debt was incurred.

Is your claim secured? If so, please provide the following information:

- the nature of the security
- the date on which it was given
- the value which you put on the security

If you claim or have claimed reservation of title in respect of goods to which the debt refers, please give details here.

Signed
Signature on behalf of creditor
Name

Address

Authority to sign on behalf of creditor

Date

For Administrator's use only

File with Liam Morrow

Reviewed by _____

Notes to Administration Proof of Debt Form:

1. Please attach a detailed statement of your account as at the date on which the company entered Administration.
2. VAT bad debt relief may usually be claimed six months after the date of supply.
3. The Administrator may call for any document or other evidence to be produced if it is considered necessary for the purpose of substantiating the whole or any part of the claim made.
4. The Joint Administrators may act as data controllers of personal data as defined by the General Data Protection Regulation 2016/679, depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Partnership may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.