

Sunday, December 31, 2006- By Ian Kehoe

A multi-million-euro rescue package has been put together to save Keystone Developments, a Co Wicklow construction company that went into examinership in September.

The directors of Keystone have agreed to underwrite the company's debts as part of a €3 million investment package under a scheme of arrangement prepared by the company's examiner, Dublin accountant Neil Hughes. The scheme has been backed by the company's creditors, and was formally approved by High Court judge Ms Justice Mary Laffoy.

Under the scheme, creditors are guaranteed about 10 cent in the euro, though this may rise depending on the company's ability to recover money from its debtors.

The company, which is controlled by Wicklow businessmen Barry Davis and John Paul Welsh, had a turnover of about €16 million last year. It ran into cashflow difficulties in recent months and an examiner was appointed to protect the company from its creditors. The company stated in court that many of its financial difficulties stemmed from a dispute with two construction companies controlled by property developer David Daly. Keystone said that two of his companies, Albany Homes and Trident Home Builders, had refused to pay their debts.

If the company recovers money from the two firms, the dividend to creditors is set to rise, according to the scheme of arrangement. Keystone is suing the two companies in the Commercial Court, a division of the High Court that fast-tracks multi-million-euro business disputes.

Hughes Blake
Chartered Accountants
& Registered Auditors

Joyce House
22/23 Holles Street
Dublin 2