



KordaMentha

Paget firm in strife

PAGET engineering heavyweight HMG Westhill has gone into voluntary administration and must be sold off quickly if there's to be any hope of its survival.

The Westhill subsidiary of the Heavy Maintenance Group (HMG) had KordaMentha appointed on June 24, with the administrators moving in to help manage the company at its Paget base that afternoon.

In September last year, the company was expanding into a 15,000sq m workshop on Commercial Avenue but by late November, it became one of the first companies to cut staff, laying off 28 people as the financial crisis tightened its grip on the region.

The administrators will now sell the company as a whole, hopefully preserving all 200 staff in the process, but if that fails the company could be sold off as separate pieces.

The spokesperson for KordaMentha's administration of Westhill, who will sell off the business, said it was "business as usual" for the engineering firm, which has three bases in Mackay.

"This is a significant issue for Mackay," he said. "The best thing we can do is keep people in employment in Mackay. "Staff are absolutely our number one priority; we've been talking to them a lot."

KordaMentha has not announced a deadline for when the sale would go ahead but that it "would occur quickly".

"We've issued a confidential information memorandum - it's the details of how we're selling the business," he said. "There has been specific interest in it."

KordaMentha is now running the business alongside the usual management team but the spokesperson would not discuss how much Westhill owed creditors, nor specific reasons behind the administrator being appointed.

Excerpt from Daily Mercury, 7 July 2009