

**In the Matter of Del Stone London Limited
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 04487057
Trading As: Del Stone London
Formerly: No previous names
Registered Office: C12 Marquis Court, Marquisway, Team Valley, Gateshead, NE11 0RU
Trading Address: Charter House, 105 Leigh Road, Leigh on Sea, SS9 1JL

In accordance with Rule 4.106, I, Eric Walls and Wayne Harrison of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, give notice that on 5 October 2010 we were appointed joint liquidators of Del Stone London Limited by resolutions of members and creditors.

Notice is hereby given that the creditors of the above named company, which is being voluntarily wound up, are required, on or before 31 December 2010 to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned E Walls (IP No. 9113) and W Harrison (IP No. 9703) of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, Alternative Contact: E Walls, insolvency@ksagroup.co.uk, 0191 482 3343, the liquidators of the said company, and, if so required by notice in writing from the said liquidators, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution.

Dated: 6 October 2010

E Walls
Joint Liquidator of Del Stone London Ltd

7. Business conducted at the meeting

- 7.1** No creditors attended the meeting other than the director. No proxies had been received in favour of the chairman.
- 7.2** The chairman opened the meeting and W Harrison of KSA Group Ltd, who had been appointed joint liquidator of the company by the shareholders of Del Stone London Limited, presented a brief report to the meeting and reviewed the statement of affairs of the company which had been drawn up to the date of liquidation on his behalf.
- 7.3** There being no further issues raised by the creditors the chairman moved to the formal business of the meeting. Accordingly, creditors approved the following resolutions:

- the appointment of E Walls and W Harrison of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, was confirmed.
- a creditors' committee was not established.

In the absence of a creditors committee:

- The meeting was informed that an agreed fee of £3,000 plus VAT plus disbursements had been paid to KSA Group Limited in respect of the costs of assisting the directors in preparing the statement of affairs and summoning and holding the meetings of members and creditors. The meeting was also informed that KSA Group Ltd had received funds of £2,000.00 made up from third party funds and the company's cash at bank.
- it was agreed that liquidators' remuneration would be calculated by reference to time costs incurred by the liquidators and their staff and authorisation was given for the liquidators to draw remuneration on account of those time costs when they felt it was appropriate.
- The liquidator informed the meeting that the current charge out rates for staff likely to deal with matters pertaining to this liquidation were as follows:

	£ per hour
Administrators	40 – 100
Managers	100 – 175
Partners	175 – 300

- It was agreed that all disbursements incurred by the liquidators' firm should be reimbursed at direct cost save in the case of postage, stationery and telephone for which a charge of £7.50 per creditor would be levied, and motor travel where a charge of 50p per mile would be made.
- it was agreed that the level of the liquidators' specific performance bond should be set at £10,000

	Book Value £	Estimated to Realise £	
		£	£
ASSETS			
Motor Vehicles, Fixtures and fittings	6,552.00		1,525.00
Book Debts	49,842.70		1,000.00
			<u>2,525.00</u>
LIABILITIES			
PREFERENTIAL CREDITORS:-			
Employee Arrears/Hol Pay- Est		800.00	
			<u>800.00</u>
			1,725.00
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003			
			<u>NIL</u>
			1,725.00
Estimated prescribed part of net property where applicable (to carry forward)			<u>NIL</u>
			1,725.00
DEBTS SECURED BY FLOATING CHARGE			
			<u>NIL</u>
			1,725.00
Estimated prescribed part of net property where applicable (brought down)			<u>NIL</u>
			1,725.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		173,155.87	
Employees - Est		1,600.00	
			<u>174,755.87</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			<u>(173,030.87)</u>
			(173,030.87)
Issued and called up capital Ordinary Shareholders		2.00	
			<u>2.00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(173,032.87)</u></u>

Estimated Deficiency Account
For the period from 1 August 2009 to 5 October 2010.

	£	£
Reserves Balance at 31 July 2010		(65,720)
Amounts written off for the purposes of the statement		
Plant & Machinery, Stock & Motor Vehicles	5,027	
Book Debts	48,843	
	<hr/>	<hr/>
		(53,870)
		(119,590)
Extraordinary Items		
Employees - Notice Pay & Redundancy		(1,600)
		<hr/>
		(121,190)
ASSUMED TRADING LOSS FOR THE PERIOD		<hr/>
		(51,843)
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<hr/>
		(173,033)

Notes to the Estimated Statement of Affairs

1. Chattel Assets and Motor Vehicles

- 1.1 Book values attributed to the companies chattel assets and motor vehicles in the statement of affairs have been taken from the draft management accounts for the year ended 2009 and the evaluations have been provided by the directors

2. Book Debts

- 2.1 The book value figure for debtors has been taken from the books and records of the company as at the date of liquidation. In assessing the amounts estimated to realise the directors have:

- Written off those debts which are known, or are thought to be, irrecoverable.
- Applied a further general provision in respect of book debts of 20%.

- 2.2 The directors have valued the book debts on this basis in order to present a prudent view of the affairs of the company. Following liquidation the liquidator will endeavour to collect all amounts due to the company.

3. Amounts Due to Employees

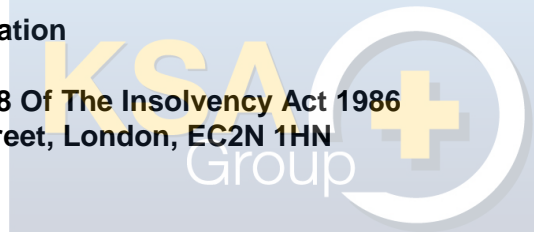
- 3.1 In some instances it has been necessary to estimate the amounts due to employees in respect of arrears of wages, holiday pay, pay in lieu of notice and redundancy.

4. Trade and Expense Creditors

- 4.1 Details of amounts due to creditors have been taken from the books and records of the company. Inclusion in the statement of affairs of the company does not constitute agreement that these amounts are, or were at any time, owed by the company and does not entitle a creditor to participate in any future distribution.

5. Costs and Expenses of Liquidation and Asset Realisation

- 5.1 The statement of affairs takes no account of the costs and expenses of the liquidation or realising the assets of the company.



**Report To a Meeting Of Creditors Held Pursuant To Section 98 Of The Insolvency Act 1986
At the offices of KSA, Level 7 Tower 42, 25 Old Broad Street, London, EC2N 1HN
On 5 October 2010 at 11.00 am**

1. Statutory Information

1.1 Detailed below is information extracted either from the statutory books of the company or from records held by the Registrar of Companies.

Previous Names: No Previous Names

Company Number: 04487057

Date of Incorporation: 16/07/2002

Registered Office: was Charter House, 105 Leigh Road, Leigh on Sea, SS9 1JL but recently changed to C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU

Shareholdings: 1000 Ordinary Shares of £1, 2 of which have been issued and fully paid.

Shareholders: Derek Hersey £1 Ordinary Share
2

Directors in the last 3 years: Derek Hersey

Company Secretary: Brenda Joyce Vincent

Nature of Business: Stone Restoration and Cleaning Company

Trading Address: Charter House, 105 Leigh Road, Leigh on Sea, SS9 1JL

2. History of the Company

- 2.1 The company was incorporated on 16/07/2002 and began trading shortly thereafter. The company was based in London carried out building restoration and cleaning work in the surrounding areas. As well as maintenance service the company carried out supply and installation work.
- 2.2 The company had initial success and covered public and private sector jobs of all sizes. Since 2002 Del Stone London gained experience cleaning and restoring some of the UK's most important buildings and built up a strong client list based on reputation and high standards of service.
- 2.3 The company won contracts to carry out maintenance on public buildings and started to build up a strong client list. As well as government buildings the company won various sized contracts on hotels, parks, schools and department stores.
- 2.4 The director believes the first difficulties emerged with the downturn in the economy. The company was affected by gradual rising stone costs and a lack of new contracts as a result of greater competition in the market. Local competing companies then began to reduce their prices. To compete the company had to lower its own prices in an attempt to secure contracts. However, the increase in stone costs reduced profit margins.
- 2.5 The company experienced further difficulties when three of their largest debtors folded. This compounded problems with late payments from main contractors leading to a less income and increased pressure on cash flow.

2.6 A meeting was arranged with representatives of KSA Group Ltd. Based on financial information provided by the director it was evident that the company was insolvent. After consulting further with representatives of KSA Group Ltd the director felt she had no option but to call the meetings of shareholders and members necessary to place the company into voluntary liquidation.

2.7 The director considers that the main reasons for the company's failure were as follows:

1. Downturn in the economic situation lead to no new contracts or income; and
2. The loss of major debtors and late payments meant the company had no reserve cash flow.

3. Meetings of Members and Creditors

3.1 At a meeting of the board of directors held on 16 September 2010 it was agreed that meetings of members and creditors should be summoned for the purposes of placing the company into Creditors Voluntary Liquidation. Notices were signed summoning the meetings for 5 October 2010. The notices were issued to shareholders and creditors on 16 September 2010.

3.2 Accordingly, on 5 October 2010 at a meeting of the shareholders, duly convened at the offices of KSA Group Limited, Level 7 Tower 42, 25 Old Broad Street, London, EC2N 1HN resolutions were passed placing the company into Voluntary Liquidation and appointing E Walls and W Harrison, who are licensed in the UK to act as an insolvency practitioner by the Insolvency Practitioners Association, joint liquidators.

3.3 Prior to being asked to advise the directors on the affairs of the company the partners and staff of KSA Group Limited had had no material professional relationship with the company, its directors or shareholders.

4. Transactions with Associated Companies or Trading Organisations

4.1 There has been one associated company, Del Stone UK, all transactions carried out between the two companies before the date of liquidation will be subject to review by the liquidator.

5. Extracts from Accounts and other Financial Information

5.1 A summary of the company's recent financial history is attached at Appendix 1 to this report.

6. Statement of Affairs

6.1 A statement of affairs of the company as at 5 October 2010 has been prepared by the directors. A summary of the statement of affairs is attached to this report, along with accompanying notes, and an estimated deficiency account in respect of the period of trading.

6.2 As a result of The Enterprise Act 2002 the preferential creditor status of HM Revenue and Customs in respect of PAYE, NIC and VAT, was abolished. This change in legislation also introduced provisions for the liquidator to set aside a certain proportion of the company's net property to deal with the claims of unsecured creditors in advance of the claims of the holder of a floating charge. This is known as the Prescribed Part. **These provisions only apply if a floating charge was created after implementation of The Enterprise Act on 15 September 2003.** The company has no floating chargeholder and therefore the prescribed part rules do not apply.

6.3 The statement of affairs takes no account of the cost and expenses of the liquidation or of realising the company's assets.

Del Stone London Limited
Summary of Recent Financial History

Accounting Information

The following information has been extracted from the Company's annual accounts for the period 31 July 2007 and for the period 31 July 2009.

	Annual Accounts 31 July 2009 £	Annual Accounts 31 July 2008 £	Annual Accounts 31 July 2007 £
Profit and Loss Account			
Turnover	648,900	757,873	809,200
Gross Profit	137,785	206,747	246,200
Directors Remuneration	32,050	32,677	32,919
Dividends	Nil	14,500	24,200
Net profit/ (Loss) After Taxation & Dividends	(67,274)	2,964	36,613
	<u> </u>	<u> </u>	<u> </u>
Balance Sheet			
Fixed Assets	6,552	8,340	10,257
Current Assets	128,408	182,946	133,285
Liabilities	(200,078)	(189,130)	(129,850)
Total Assets Less Liabilities	<u>(65,118)</u>	<u>2,156</u>	<u>13,692</u>
Issued Share Capital	2	2	2
Reserves	(65,120)	2,154	13,690
Shareholders Reserves	<u>(65,118)</u>	<u>2,156</u>	<u>13,692</u>